

EUROPEAN NEWS

EEC ACTS TO CUT RED TAPE ON CROSS BORDER TRADE

Accord on customs document

BY QUENTIN PEEL IN BRUSSELS

THE SINGLE administrative document—known as SAD—was born in Brussels yesterday...

But the first day of use for the SAD will only come on January 1, 1985...

Uncensored TV draws big audience in Hungary

By Leslie Collett in Berlin

HUNGARIAN TELEVISION has broken a taboo in Warsaw Pact countries...

Opec expected to avoid drastic revision of prices

BY RICHARD JONES IN GENEVA

THE OPEC committee on price differentials is expected to recommend to the full ministerial conference...

U.S. must make next move, says Gorbachev

By David Buchan and Margaret Van Hattem

THE U.S. must make the next move by limiting its space weapon programmes early next year...

Work to begin on drafting accession treaty

BY OUR BRUSSELS STAFF

EEC FOREIGN ministers yesterday gave the go-ahead for work to begin on drafting the treaty of accession for Spain and Portugal...

hammered out by their heads of government in Dublin two weeks ago...

Sterling limit dropped

BY PHILIP STEPHENS IN LONDON

THE UK Treasury has decided to drop its long-standing request to foreign central banks that they limit their holdings of sterling...

Retirement pay-off

BY IVO DAWYNSKI IN BRUSSELS

THE UNRIVALED generosity of the EEC to its retiring employees raised eyebrows even in Brussels yesterday...

Poland welcomes easing of U.S. stand on IMF

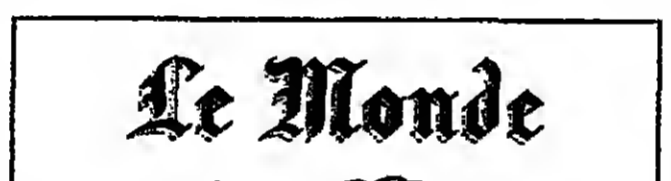
BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND YESTERDAY greeted the U.S. decision to stop blocking its entry into the International Monetary Fund...

World of difference between Le Monde journalists

David Housego describes the struggle at Paris's top newspaper

NOBODY believes that Le Monde, Paris's premier newspaper, with sales of 360,000 a day, is about to collapse...



Le Laurens proposed to sell the paper's building, cut salaries, 'mothball' one of its printing presses in Paris...

Journalist and editor of the business magazine L'Expansion, an outside nominee would probably bring a fresh injection of capital with him...

Pulp and paper booms in Sweden

By Kevin Dons, Nordic Correspondent in Stockholm

THE SWEDISH forest products industry, one of the world's leading exporters of pulp and paper, has achieved its best performance for 10 years...

Table with columns for bank names and interest rates under 'BASE LENDING RATES' and 'HILL SAMUEL'.

Unions avert clashes over Austrian dam

VIENNA - Fresh clashes between workers on a controversial dam and environmentalists trying to preserve one of Europe's oldest forests were averted yesterday...

U.S. offer to EEC on steel pipes row

THE U.S. yesterday proposed a settlement of a row over its curbs on imports of European Community steel pipes and tubes...

Bulgaria replies to whisky fraud claim

BULGARIA has responded to claims by Britain that it is marketing counterfeit Scotch whisky by saying simply that it is offering 'the first original Bulgarian whisky'...

Fresh setback for Italian steel plans

THE 'PROGRAMME' for restructuring the Italian steel industry, which is already threatened by the EEC Council of Ministers...

U.S. offer to EEC on steel pipes row

THE U.S. yesterday proposed a settlement of a row over its curbs on imports of European Community steel pipes and tubes...

OVERSEAS NEWS

Peking rolls out red carpet for Thatcher's visit

BY MARK BAKER IN PEKING

THE CHINESE Communist Party does not believe in Christmas, but is welcoming the British Prime Minister Mrs Thatcher in the style of a Santa Claus who has turned up a week early.

Mrs Thatcher flew in from London tonight bearing a gift for a party that would like to have everything.

At 5.30pm tomorrow she will take a seat in the Great Hall of the People and sign away Britain's right to continue ruling Hong Kong beyond 1997.

Under this crisp piece of colonial undertaking - agreed within two years of Mrs Thatcher's last trip to Peking in September 1982 - China has promised to preserve the colony's character and freedom for 50 years as a special administrative region.

The Prime Minister's stewardship of this dramatic deal is winning her a heroine's reception in Peking.

During her 36-hour stop in Peking she will meet the four most powerful men in China, including paramount leader Deng Xiaoping, she will be received with a 19-gun salute in Tiananmen Square and be feted at a special banquet in the Great Hall.

The Chinese press is carrying lavish praise of Mrs Thatcher as a "far-sighted" and "great statesman. Her picture and a biographical profile are carried prominently on the front page of the "People's Daily" and in other leading newspapers.

Mrs Thatcher and the Foreign Secretary, Sir Geoffrey Howe, were met on their arrival by Wu Xueqian, the Chinese Foreign Minister.

She was driven directly to the Diaoyutai (Emperor's Angling Terrace) state guest house in the western suburb of Peking for a private dinner and briefing session with Sir Richard Evans, the ambassador and Britain's chief negotiator in the Hong Kong talks.

Mrs Thatcher will be welcomed officially with a military parade and salute in Tiananmen Square and will spend the morning in talks with the Chinese Premier Zhao Ziyang.

After lunch with President Li Xiannian she will have separate meetings with Deng - who has already christened her "Britain's de Gaulle" for handing over Hong Kong - and with Hu Yaobang, the Communist Party General Secretary.

Mrs Thatcher and Zhao are scheduled to sign the Hong Kong agreement in a ceremony to be witnessed by 101 dignitaries invited from Hong Kong by the Chinese Government, and an even bigger contingent of journalists.

The Prime Minister will be Zhao's guest at an evening banquet for more than 400 and later meet the British press. She will leave for Hong Kong early the next morning.

Nakasone faces fresh battle over defence

By Jurek Martin in Tokyo

IN ONE of the stranger twists of contemporary politics, the Japanese Socialist Party, the leading opposition group, decided yesterday not to oppose a pay increase for the Japanese military whose very existence it technically considers unconstitutional.

The socialist move to align itself roughly with the two biggest centre parties is in fact part of what is promising to be a substantial tactical battle with the Government over the perennial question of defence spending.

The Government is currently putting the finishing touches to its 1985 fiscal budget, which takes effect from next April. It is struggling on the one hand with U.S. pressure for greater defence outlays and on the other with abiding by the ten-year mid-declaration that defence spending shall not exceed 1 per cent of gross national product.

Under Japanese measurements, which differ from those of Nato, it presently stands at 0.997 per cent of GNP. Unless the economy grows at far faster than the 4 per cent plus rate tentatively forecast for fiscal 1985, almost any per cent military pay increase alone would break the ceiling.

Recently, the National Personnel Agency, which makes civil service pay recommendations, called for a 6.4 per cent raise for the military; the Government said this should be cut back to 3.4 per cent; the opposition parties are now backing the higher figure on the condition that the 1 per cent ceiling not be breached.

If they sustain their case, this confusion would reign in the defence budget - and the U.S. would be likely to give the combative, tactical nature of Japanese politics, it seems more likely that their principal purpose is to push Mr Nakasone into a politically unpopular corner.

For all his hawkish reputation and his need to please the U.S., the Prime Minister has been uncharacteristically reluctant of late on the level of defence spending. This may reflect the weakening of his personal authority as a result of the bargaining two months ago which led to him winning a second term in office.

But Mr Nakasone has found himself contradicted by elements of his own ruling party, as well as by the new head of the Self Defence Agency, Mr Kiuchi Kato, who have said the circle cannot be swayed. As it is, most experts believe that in an otherwise tight defence budget will receive a real spending increase of about 6 per cent, and that the Government would have to cook the books to avoid breaking the ceiling.

Mohammed Aftab reports on Pakistan's vote on extending the President's term

Zia confident of referendum victory

PRESIDENT Zia-ul-Haq of Pakistan, buoyed by large rallies supporting him in the Punjab, is expecting a large voter turnout in the referendum he has called for tomorrow.

Despite this, President Zia denies that the referendum is a presidential election - "otherwise I would have allowed people to contest it against me," he says.

Campaigning against the referendum has been banned. "No-one is allowed to campaign against the referendum because that will pollute the environment and hinder a smooth transfer of power to elected representatives of the people," he says.

Pakistan has no opinion polls and there have been no recent elections to gauge the public's likely views on the referendum. The last parliamentary election, held by the then Prime Minister Mr Zulfikar Ali Bhutto later executed by the Zia regime in March 1977 was rejected by the people as having been rigged.

It resulted in a widespread agitation against Mr Bhutto, which led to the military takeover by Gen Zia, the imposition of martial law, and the dismissal of the Senate, the National Assembly, and four legislatures in the provinces of Punjab, Sind, Baluchistan and the North West Frontier.

All political parties and activity were banned more than five years ago, and there is no hope that the ban will be lifted. Gen Zia has voiced his total opposition to giving political parties or politicians any role in elections for an Islamic



President Zia . . . bnpefal

"shoora" (advisory council), although he has said the shoora will have reasonable powers.

With the Opposition effectively muzzled, Zia supporters hope that the voter turnout for the referendum will be "at least 50 per cent" of registered voters. Unofficial results are expected quickly.

Gen Zia and his supporters are confident of a majority of yes votes although they do not rule out a small percentage voting no. "Those who disapprove of the referendum - which is not provided for in the Pakistani constitution as a way to elect a President - are likely to stay away."

Asked what he will do if a majority votes no, President Zia has said: "We are honourable people, and if the vote is no I will move as far as I can by holding (parliamentary) elections, hand over power to elected representative, and get out."

Campaign rallies have shown a considerable degree of support for Gen Zia's Islamisation policies, and his management of the economy. Growth has averaged 6 per cent a year during the seven years of his military government. Five successful harvests have made the country a net exporter of wheat.

The private sector though still cautious following the previous regime's nationalisation and socialisation policies, as well as the continued strict bureaucratic regulation of the economy, has begun to invest in new industrial units ranging from cement to tyre manufacturing, glassware and steel products.

The turbulent situation in the region has also helped General Zia. The Soviet military presence in neighbouring Afghanistan where an Islamic insurgency has been going on for five years as well as the unsettled situation in India following the assassination of Mrs Indira Gandhi have boosted his image as a strong leader.

Despite his record of crushing his opponents and cracking down on all forms of dissent, it seems likely that President Zia will get the vote he wants tomorrow, and that elections in Pakistan will remain a far-off dream for a benighted opposition.

Daiwa to give stock exchange lesson for China

PEKING and Shanghai officials have accepted an offer by Japan's Daiwa Securities Company to hold seminars on the workings of stock exchanges.

Daiwa spokesman told Reuters in Tokyo. Officials from both municipalities are considering the setting-up of stock markets to attract foreign capital and domestic savings for economic modernisation, the spokesman said.

9 die in Sri Lanka

Nine policemen were killed yesterday when Tamil separatists blew up a police vehicle in Sri Lanka's Eastern Province, according to a government statement reported by Reuters from Colombo. The police had been chasing a van carrying a group of robbers, the statement said. More than 400 have been killed since guerrillas fighting for a separate Tamil state stepped up their campaign a month ago.

No to drug probe

Australia's Labour Government yesterday rejected a recommendation for a major probe into what an official in a inquiry said were big heroin smuggling syndicates. The Australian Royal Commission called in its report last month for a special investigation, but Attorney-General Lionel Bowen said yesterday that the issue had been referred to the National Crime Authority.

Gandhi 'set for sweeping win'

BY JOHN ELLIOTT IN NEW DELHI

A RESOUNDING victory in next week's Indian General Election has been forecast in a major opinion poll for Mr Rajiv Gandhi, who took over as Prime Minister seven weeks ago after the assassination of his mother Mrs Indira Gandhi.

A poll conducted for India Today, the country's leading current affairs magazine, shows him winning 306 of 511 seats being contested in the election for the Lok Sabha, the Indian Parliament lower house.

This would be an improvement on his Congress Party's present parliamentary position and far exceeds the results being forecast by most observers. Mr Gandhi has conducted a rather flat campaign, concentrating on the country's Sikh problems and on the risks of the country breaking up. He has inspired little passion so far and most observers expect him to win little more than 300 seats, and maybe less.

There is general agreement that he will gain an overall majority benefiting from the image of his late mother and forces within his party jealous of his rapid advancement.



Rajiv Gandhi - set for victory

Plotters to face firing squad in Vietnam

By Chris Sherwell, South East Asia Correspondent

A VIETNAMESE court yesterday sentenced five out of 21 alleged plotters to death by firing squad for conspiring to overthrow the Government.

The guilty victims came at the end of a widely publicised trial in Ho Chi Minh City (formerly Saigon). Another three defendants were given life imprisonment, and the remaining 13 got jail sentences of eight to 20 years.

The accused, some of them ex-members of the former South Vietnamese army, were among more than 100 people arrested by the authorities in what is the largest known anti-government plot since the Communist takeover in 1975.

All 21 were charged with espionage and treason and accused of plotting to topple the government with the support of China, Thailand and the U.S. The defendants were members of the so-called United Front of Patriotic Forces for the Liberation of Vietnam.

Investment cut by 65% in Ivory Coast budget

BY PETER SLACKBURN IN ABIDJAN

PUBLIC INVESTMENT is to be slashed by nearly 65 per cent in Ivory Coast's 1985 budget which is due to be approved by the National Assembly (Parliament) later this week.

No new development projects have been included in the investment budget which has been cut to \$187m (£156m) from \$575m in 1984.

Mr Abdoulaye Kone, Economy and Finance Minister, presenting the budget to the Assembly, yesterday warned that austerity will be even more severe in 1985 because the economic recession has led to a sharp drop in fiscal receipts.

Rural development, especially food production, continues to be the main priority with 35 per cent of the investment budget. Refusing and urban development, transport and water supplies are other priority sectors.

Some 42 per cent of investments will be locally financed compared with 19 per cent in 1984. External borrowing will be entirely on concessional terms with the World Bank and France's Caisse Centrale de Co-operation Economique the main donors.

Finance officials describe the 1985 investment budget as realistic because it only includes projects for which finance has already been secured. Previous budgets have not been implemented due to lack of funds, they pointed out.

The recurrent budget has been cut for the second successive year by 2.5 per cent to \$888m. Salaries of civil servants are being frozen for the third successive year, and in addition salaries of an estimated 50,000 public enterprise employees are being aligned with those of the civil service resulting in cuts of up to 30 per cent.

The 1985 budget is in line with IMF recommendations accompanying an SDR \$2.75m one year standby credit approved last May.

Mr Nakasone has found himself contradicted by elements of his own ruling party, as well as by the new head of the Self Defence Agency, Mr Kiuchi Kato, who have said the circle cannot be swayed.

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UK NEWS

TI develops robotics system

BY LYNTON McLAIN

TI MATRIX, part of the TI group, is about to deliver its first fully automated flexible manufacturing system (FMS), as the first stage of a company strategy to treble the share of turnover taken by FMS.

The flexible manufacturing system is designed to cut by 80 per cent the machining time for the propeller shaft seals made by Deep Sea Seals. The Havant company also aims to double its £3m turnover in five years with the commissioning of the computer-based system next month.

The system has the capacity to handle up to 200 products. The complete system has been put together by TI Matrix as prime contractor, but much of the associated equipment has been supplied by other companies. TI Matrix designed and made the computer-numerically controlled machining centre in the system.

TI Matrix has an annual turnover of about £10m. The aim is to raise the proportion of turnover taken by FMS orders from the 5 per cent attained with the current order to about 15 per cent.

BNFL will invest £150m more to cut nuclear discharge

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH NUCLEAR Fuels is spending an additional £150m on effluent treatment plant for its Sellafield reprocessing factory in Cumbria, to reduce its radioactive waste discharges into the Irish Sea to "virtually zero". Mr Con Alday, chairman and chief executive, said yesterday.

This is the price to be paid for the latest leak at the Sellafield factory, in November 1983, when a substantial discharge of radioactive effluent contaminated Cumbrian beaches.

The cost will be met partly by the main customers for Magnox fuel reprocessing - the Central Electricity Generating Board and the South of Scotland Electricity Board - and partly by BNFL itself, which operates its own Magnox reactors and reprocesses fuel for two overseas customers.

The Government and its Radioactive Waste Management Advisory Committee have accepted the company's plans for reducing radioactive discharges to the levels being achieved by Sellafield's French counterpart at Cap la Hague near Cherbourg.

The main beneficiaries of the £150m extra investment by 1991 will be British civil and chemical engineering companies, British Steel and the local authority in increased rates. BNFL said.

Three main investments will be required: an additional effluent treatment plant to remove alpha-activity from waste streams and to clean up effluents already stored at Sellafield, extra storage tanks to retain effluent until the new plant is ready, and extra filtration of the effluent from the £130m site ion exchange effluent plant (Sisep) due on stream next year.

Britain is dumping millions of tonnes of waste each year from which materials worth £750m could be recovered.

A minister with responsibility for waste could help realise the cash potential of discarded paper, metals, glass, textiles and plastics and awaken local authorities and industry to the advantages of recycling, according to a report, "The Wealth of Waste", published today by the Trade and Industry Committee of the House of Commons.

The report recommends that the new minister should be given overall charge across departments for recycling policy. The committee felt there was an "obvious confusion" between the roles of the Trade and Industry and Environment departments.

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ANNOUNCES

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FAÇADES SILICON SEAL **NON-SHRINK GROUTING COMPOUNDS**
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Age group: 35-45 years.

PRODUCTION MANAGER
Post Graduate in Chemical/Industrial Engineering plus Graduate in Civil Engineering/Concrete Technology. To co-ordinate and supervise production processes and staff activities. To plan and check production techniques and minimise costs. To supervise and assist in quality control laboratory, logistic services and in writing technical literature and product specifications and train local staff.
Age group: 28-45 years.

CHIEF OF LABORATORIES
Post Graduate in Industrial Chemistry. To co-ordinate and supervise Research and Development Lab and quality control testing laboratory processes and staff activities to ensure proper and accurate formulations of each product and testing procedures for raw and finished products. To assist in technical literature writing and product specifications, and train local staff.
Age group: 35-45 years.

CHEMIST FORMULATORS
Post Graduate/Graduate in Chemical Engineering/Industrial Chemistry. To develop formulations of each type of product. To check and analyse test results and exact procedures for accurate formulation. To test quality of raw and finished products. To assist in technical literature writing and product specification and train local staff.
Age group: 35-45 years.

SALES EXECUTIVE
Graduate in Civil Engineering/Economics/Marketing. Responsible for identifying potential customers and introduction of products. To report data on competition and to achieve set sales targets.
Age group: 30-35 years.

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Swan Hunter delays delivery of Cunard vessel

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE ATLANTIC Conveyor, successor to the Cunard container ship sunk in the Falklands war, has been further delayed at the Swan Hunter shipyard on the Tyne in North-east England which won the £40m order after a protracted political and industrial opposition in Britain to the contract going to the Far East.

The Ministry of Defence is likely to place next month. The Atlantic Conveyor is not expected to enter into service with Atlantic Container Line (ACL), the consortium in which Cunard is a shareholder, until mid-January. The delivery time had been revised from the third quarter of 1984 to this month, but the yard, which shifts for two weeks at Christmas, will not have the ship ready until next month.

After the political furore about the possibility of the order going to Japan or South Korea in the summer of 1982, Lord Matthews, then chairman of Cunard, said of Swan Hunter that "as long as they can make August 1984, that will be satisfactory."

Beyond that, however, "we're in very serious trouble," he said. Cunard, part of the Trafalgar House group, has not said what level of penalty payments it might claim from Swan Hunter for the late delivery.

A recent overtime ban at Swan Hunter held up work on the vessel. The yard said yesterday military work on the Atlantic Conveyor,

which received government funds to equip it for a naval support role, had also caused delays.

The three ACL ships built at the Kockums yard in Sweden were all delivered on time, though the fifth of the new ships in the total order, being built in France, has also been delayed.

ACL, which has French and Swedish shareholders, has had to charter vessels to offset the delay in the Atlantic Conveyor. This year has seen hectic cargo trade to the U.S., although eastbound business has been slack.

ARCH OF TRIUMPH



Love and hate shape destiny in a story that unfolds in a war-threatened Paris. One chance meeting leads to romance, another, to tragedy.

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Producer for HTV, Peter Graham-Scott. Executive Producer for HTV, Patrick Dromgoole.

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load space. And the new Austin Maestro Van range has over 85 cu.ft.* and a choice of 500 and 700 kg models.

HOW ABOUT THE DRIVERS?
The driver gets plenty of attention too, with the comfort, equipment and handling usually reserved for passenger cars. Handling brought about by the benefits of

front wheel drive. As for economy, the Austin skill at delivering more miles per gallon produces car-like figures; The Metro 1.0 litre produces 59.7 mpg* and the 1.3 litre Maestro 500 can achieve over 45 mpg*.

WHAT ABOUT PRICE?
The prices are better too. For example, although the 500 and 700 kg Maestros carry more than their nearest rivals, they cost a little less.

HOW ABOUT SOME DETAIL?
Being truly purpose built, the new Austin Vans are better right down to the last detail. Taking Maestro, for example, heavy steel bumpers, securely recessed headlamps and slam-lock rear doors opening through 180°, are all designed for heavy use. And so is the large flat payload floor with its recessed anchor points.

Metro shares many of the same features, with a wide, deep tailgate giving clear access to an equally flat payload floor. Both vans offer a choice of City models, or even more specification and comfort on the 'L' models.

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Manufacturers' figs. Metro 1.0 L simulated urban cycle 45.7 mpg (6.2 L/100 km), constant 56 mpg 59.7 mpg (4.7 L/100 km), constant 75 mpg 40.2 mpg (7.0 L/100 km). Maestro 500 HC simulated urban cycle 35.2 mpg (8.0 L/100 km), constant 56 mpg 45.7 mpg (6.2 L/100 km), constant 75 mpg 32.3 mpg (8.7 L/100 km). *Manufacturers' data. Prices correct at time of going to press excluding number plates and delivery. Models shown Metro 310 L 1.3 L at £4,196 and Maestro 700 L at £5,347.



Peter Brooks's award-winning production of "Carmen" (Helen Delavault, left) for Channel 4, subsidised by programmes like "Coronation Street" (right)

Television/Christopher Dunkley

Why BBC advertising would be a disaster

There is nothing sacrosanct about the licence fee and, indeed, nothing sacrosanct about the BBC. Who can forget that it was the BBC which shelved Panorama earlier this year to make way for The Thorn Birds? And despite their screaming about new technologies turning British television into "wall to wall Dallas" who is it that already brings us Dallas, thereby winning their highest ratings? Why, the BBC of course.

different from print and we know what the result would be from fully-commercial broadcasting systems elsewhere. While it is possible for quality newspapers to exist independently in the market place, television economics work differently.

elector/tax payer) is carrying them both because there is nobody else to do so. Whether he pays via the licence fee or the shopping basket he is the only customer and so, in the end, he must pay.

Jack and the Beanstalk/Richmond

Michael Coveney

This is a perfectly reasonable pantomime in the beautiful theatre on Richmond Green, but I had been led to expect a very different Richmond which has acquired a reputation over the past few years. The script by John Morley and Dick Hurran (the latter also directed) is not so much limp as crippled.

She sang "She'll be coming round the mountain" (clean version), while the others and Dame Trot had a go at "When the Saints Come Marching In." The two songs knitted together beautifully. The contest was declared a draw, but we sang loudest. Oh yes we did.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday. December 14-20

Theatre

Kabuki (National Theatre): Daisyoji Mochizuki's production of the important classic playwright, Monzaemon Chikamasa, centres on the love-suicide of a merchant's wife and shop clerk. The play includes scenes in Bunraku puppet style, showing the close relationship between these two 17th century types of theatre.

despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 8200). On Your Toes (Virginia): Gallina Panova with her husband, the Russian accent leads an exuberant cast in the remake of Rodgers and Hart's 1938 comedy of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 8370).

Racine's untranslatable Alexandrines. Gerard Murphy, Tim Woodward and Georgina Hale in a strong cast. (828 7616). Two Into One (Savoy): Donald Sinden and Michael Williams head the cast of a hilariously funny farce by Ray Cooney in the old Whitehall tradition. An irate manager, Lionel Jeffries, declares: "There's far too much sex going on in this hotel, and I'm not having any of it." Not to be missed. (879 5899).

La Traviata/Teatro Comunale, Florence

William Weaver

Just as all the other Italian opera houses are opening their winter season with gala productions, the Florence season closes (to give the Comunale ample time to prepare for the Maggio musicale in the spring). But this year, the final Florentine offering was as gala as any inauguration: a Traviata to be shared with Covent Garden.

The Marriage of Figaro/Croydon

Martin Hoyle

The Carmen Jones treatment for Figaro? Well, not quite. Despite the updating of Nicholas Broadhurst's production to "France in 1960," evoking memories of Roger Vadim's cinematic modernisation to Les Liaisons Dangereuses with Florence Sturberg et al. sim, my complaint is that it goes nowhere far enough.



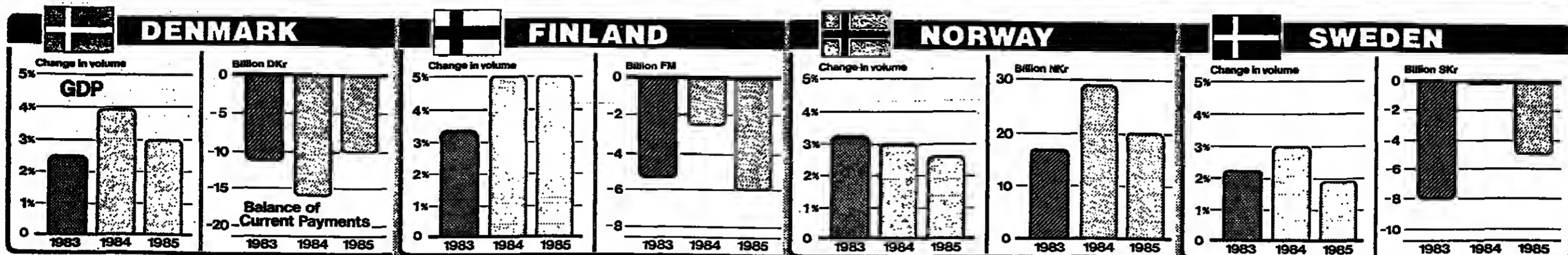
Amanda Redman and Prue Clarke

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES SURVEY



1984 and 1985 figures are forecast.

FOR TWO years the Nordic economies have staged a strong recovery. Growth in Sweden, Finland, Denmark and Norway has clearly outpaced the rest of Europe and the region has made significant steps towards attaining a better economic balance.

The open Nordic economies, which depend on exports for between a third (Finland and Sweden) and half (Norway) of their gross national product have benefited greatly from the upturn in world trade and have won back significant shares of international markets. Growth in the Nordic region is expected to reach as much as 3.5 per cent this year following an expansion of 2.7 per cent in 1983, while average growth in Europe is likely to be lagging behind at 2.1-2.3 per cent.

mic policy-making in both countries for many years to come. Both countries face severe problems in reducing the mountain of foreign debt run up in recent years, although in the case of Sweden, at least, a temporary respite has been reached with a return to balance this year on the current account of the balance of payments.

The surge in economic activity in the region and a rediscovered sense of confidence after the setbacks of the late 1970s and early 1980s, have been reflected too in the new-found vigour of Nordic financial markets. In the case of Sweden in particular, the liberalisation of the markets and the creation of a well-functioning money market have owed much to the pressures created by the need to finance the state deficit while keeping the inflationary impact of state borrowing needs to a minimum.

Nordic Banking FINANCE AND INVESTMENT

A surge of economic activity and a rediscovered sense of confidence have led to a new-found vigour in Nordic financial markets

Strides towards better economic balance

By Kevin Done, Nordic Correspondent in Stockholm

Earlier most of the financing of the budget deficit in Sweden had taken place through the banks, insurance companies and pension funds, which had to purchase fixed-rate, long-term Government bonds or borrow from the central bank. Mr Kjell-Olof Feldt, Sweden's Social Democratic Finance Minister, admits that "this led to the credit markets growing more and more regulated and less and less efficient."

As a further element in the programme of financial liberalisation, the Norwegian Government has recently announced that it is to encourage the introduction of a market for bank certificates as well as a market for commercial paper. At the same time the state will operate with Treasury bills sold at market rates, thus reducing the state's needs to raise money through bonds which carry administered interest rates.

country against fluctuations in its reserves and balance of payments.

Its foreign exchange reserves have quadrupled over the last year. According to Mr Matti Vanhala, a director of the Finnish central bank, "With our reserve and balance of payments situation in general as well as the stable monetary outlook, we feel that this sort of buffer is no longer needed."

Denmark, meanwhile, has followed the example set by Sweden and is busily refinancing its debts at a lower cost. With its cash reserves growing — among several factors the private sector has increased its borrowing — the kingdom is for the moment no longer a large net borrower.

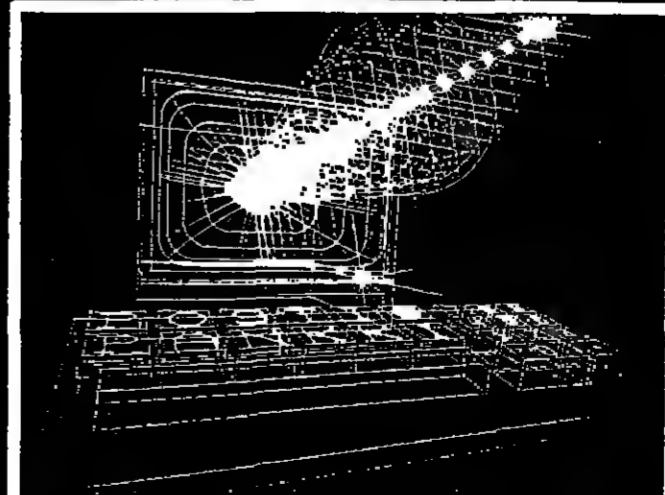
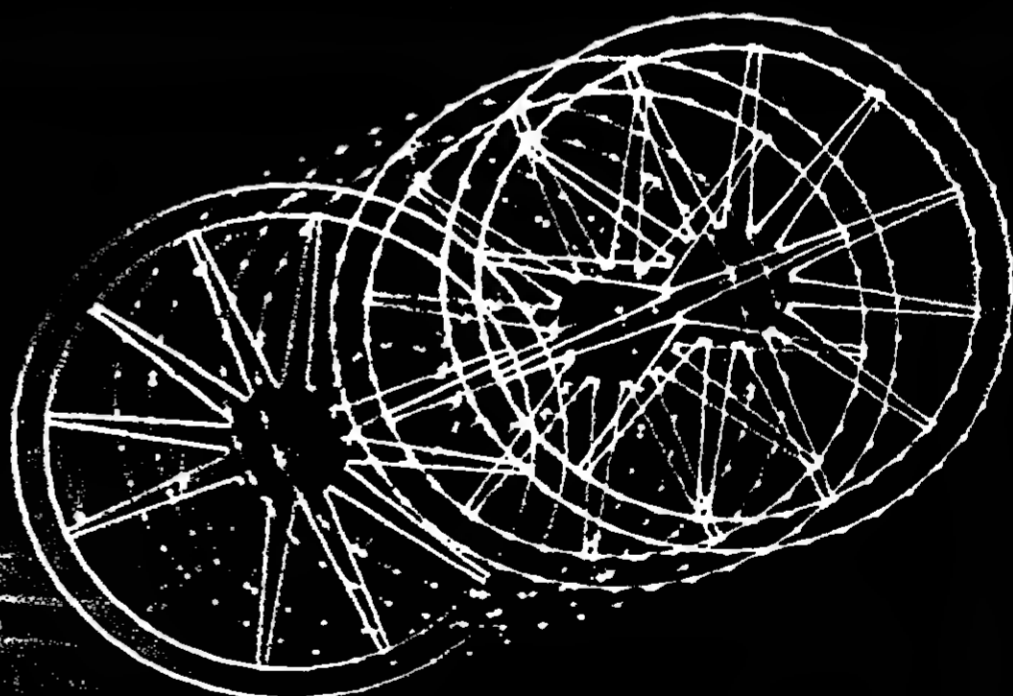
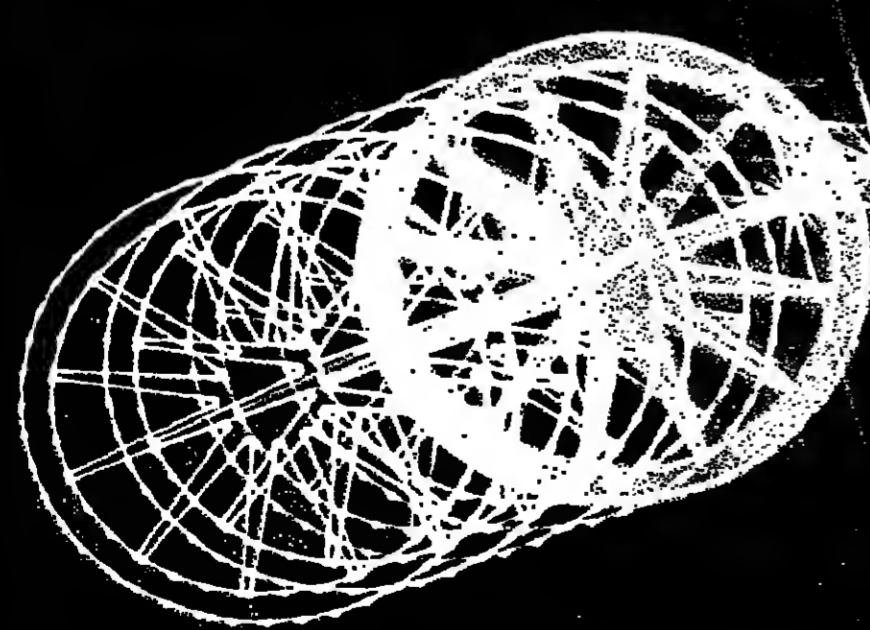
Norway, buoyed up by its growing output of oil and gas from the North Sea, is rapidly building itself a very special position in the Nordic financial scene. With a current account surplus, rapidly approaching a level equivalent to 6 per cent of GNP and the strongest foreign exchange reserves position of any industrialised country (measured in relation to import cover), it is on the verge of becoming a substantial capital exporter.

International demand for the Norwegian krone is growing, and a couple of weeks ago the Government was forced to ban the sale of domestic bonds to foreign investors in an attempt to stem unwanted capital inflows. Norway has removed many of its foreign exchange regulations and the Government is increasing efforts to encourage the internationalisation of companies and financial institutions. Prospects for 1985 in the Nordic region also appear promising, although growth is not expected to repeat the levels of 1984. In a recent published study four of the region's leading banks, Svenska Handelsbanken, Copenhagens Handelsbank, Kansallis-Osake-Pankki and Den Norske Creditbank, foresee an expansion in the Nordic countries' gross domestic product of 2.5 per cent in 1985 compared with 3.7 per cent in 1984 and 2.7 per cent in 1983.

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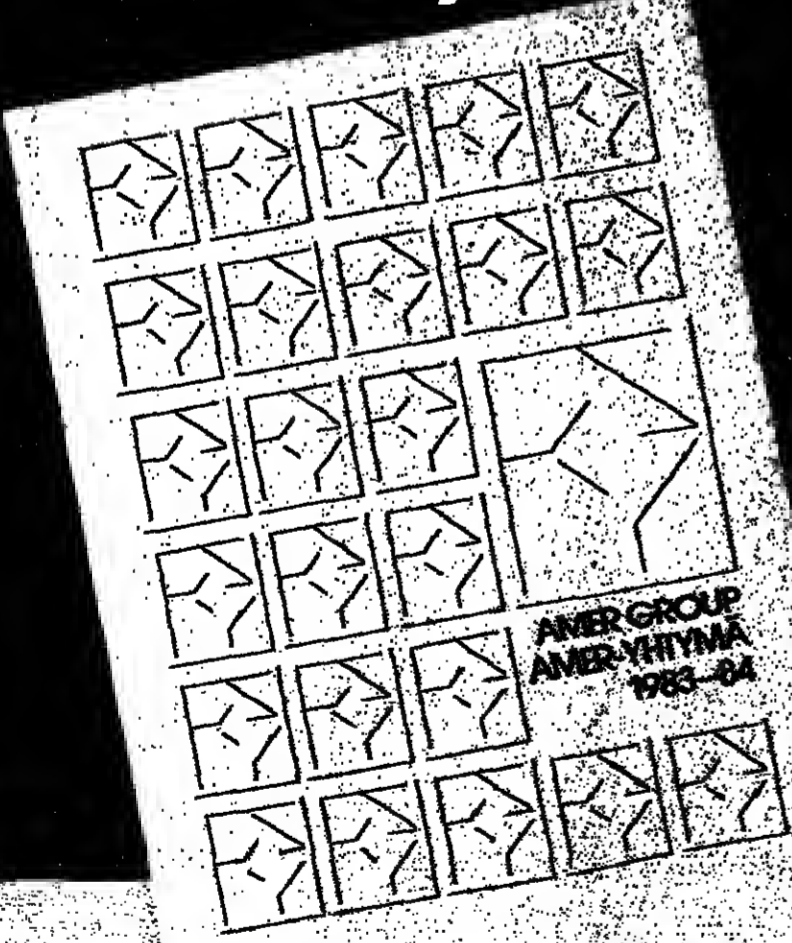
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Nordic Banking and Finance 2

Wage blow to the economy

Iceland
KEVIN DONE

ICELAND'S bold attempt to curb its chronic inflation problem has been thrown sharply off course. A series of inflationary wage settlements pushed through after a four-week public sector strike in October have raised fears that the island is heading back into the vicious circle of devaluations, surging prices and inflationary wage deals that marked the island's economy for much of the 1970s and early 1980s.

The pattern was broken in May 1983 when the new Centre-Right coalition Government introduced an ambitious package of austerity measures aimed at restoring stability to the hard-pressed economy, which was plagued by inflation rates that for short periods had exceeded 160 per cent.

Wage indexation was abandoned at a stroke, existing wage settlements were extended for several months, and low nominal wage increases were imposed during 1983 and the first half of 1984.

The currency was devalued by 14.6 per cent, but the Government then made a commitment to pursue a firm exchange rate policy and to restrict money supply and deregulate financial markets. Most interest rate controls were finally swept away in August this year.

The strategy was highly successful in breaking the inflationary spiral. In the space of 18 months inflation was cut to an annual rate of less than 25 per cent. Inevitably the Government's tough policies also implied certain sacrifices — at least in the short-term — in the form of lower living standards, however, and this autumn

Icelanders' patience with the experiment finally snapped.

The Government's anti-inflation fight has coincided with a prolonged deep recession in the Icelandic economy, which has seen gross national product fall by 10 per cent in three years. Icelanders' living standards have fallen by 17-18 per cent in the space of just two years, and public sector workers have been particularly hard hit.

State and local authority employees claimed that the purchasing power of their wages had plummeted by around 25 per cent in two years. They insisted on a renegotiation of their wage contracts, and when the Government stubbornly refused to give way to their claims for increases of around 30 per cent, they began a strike at the beginning of October.

Four weeks later, with the island's foreign trade at a virtual standstill and with sectors of industry starved of raw materials warning of large-scale lay-offs, the Government gave way and agreed to wage settlements giving rises in the region of 25 per cent over the 14 months to the end of December.

The repercussions of the wage settlement have come quickly. With an uncomfortably high deficit on the current account equivalent to around 5 per cent of Gross National Product, Iceland could ill afford the blow to its international competitiveness dealt by the big jump in labour costs.

The Government's response was to allow the krona immediately to depreciate by the 5 per cent allowed under the terms of its currency basket, but pressures quickly built up for a full-scale devaluation.

Just under three weeks ago the currency was devalued officially by a further 12 per cent. The Government is

Iceland economy

| | % Change | | |
|-------------------------------------------|----------|-------|-------|
| | 1982 | 1983 | 1984* |
| Gross National Product | -1.5 | -5.5 | -1.3 |
| Fisheries export production | -24.5 | -6.9 | 5.0 |
| Real disposable household income | 2.1 | -18.2 | -4.1 |
| Cost of living | 51.0 | 55.3 | 29.5 |
| Balance of goods and services as % of GNP | -10.0 | -2.4 | -3.2 |
| Unemployment as % of total labour force | 0.7 | 1.01 | — |

* Provisional, † September forecast
Source: Icelandic National Economic Institute

expected to try to keep fluctuations next year within a band of plus/minus 5 per cent.

It believes that despite the unfavourable wage settlements the bottom of the economic recession has been reached. It expects a small rise of close to 1 per cent in Gross National Product next year, helped by some rise in fish catches.

The prospects for inflation have clearly darkened, however, and instead of an average increase of 13-15 per cent in 1985 compared with 1984 the Government has accepted in its revised budget that an increase of at least 26-28 per cent is likely.

"This is a setback, but it is not something that cannot be overcome," said one senior official in the Finance Ministry.

The Government has not tried to take back the wage increases through higher taxes, but they will rapidly be eaten up by the devaluation and consequent rise in inflation.

The wage contracts recently agreed are supposed to run to the end of 1985. The trade unions can demand a renegotiation during the summer, however, if the purchasing power of wages falls too drastically.

It is not until the next wage round is completed that it will become clear whether Iceland's new bout of inflation is only a temporary setback on the road to a more balanced economy, or whether the fires of inflation have been stoked to a point where drastic Government intervention is again needed.

The four-week public sector strike has already shown that there is a limit to the Govern-

ment's resolve to stick to its chosen course and the leaders of the coalition will have to work hard if they are to build a new consensus behind their economic strategy before the next wage round.

The problems of this autumn should not obscure the fact, however, that the authorities on Iceland have made significant progress not only in managing the economy, but also in de-regulating the island's financial markets. For more than two decades the monetary authorities regulated interest rates on all deposits and loans.

That system has been crumbling gradually since 1978, but the big transition from regulated low interest rates and attempted credit rationing to a system where interest rates are not only positive, but very high even on an international scale, came earlier this year.

In August the deposit money banks were allowed to decide all interest rates, other than those on general savings accounts — which were raised to 17 per cent by the central bank — and rates on real-estate loans and mortgage loans and penalty rates.

By late autumn interest rates on common loans were in the range of 20-30 per cent and interest rates on three-month deposits 20-21 per cent.

The issue of regulated interest rates has hardly been permanently removed from the political agenda, however, and if interest rates surge on the wave of sharply rising inflationary expectations, calls for Government intervention will soon return.

More restrictive credit policy

Sweden
KEVIN DONE

AFTER enjoying record profits in 1983 helped by falling interest rates Swedish banks have been brought back to earth this year as the financial authorities have pursued restrictive policies aimed at holding back domestic credit demand and restraining inflation.

The earnings of the Swedish banks are strongly affected by the domestic interest rate level. The banks have earlier been forced to place a considerable share of their assets in bonds which have fixed yields while the costs for funding fluctuate with changes in interest rates.

Money market rates started to rise in the second half of May this year and at the end of June the official discount rate was raised by one percentage point to 9.5 per cent. At the same time the penalty rate for borrowing by the banks from the Riksbank, the Swedish central bank, was raised by two percentage points to 13.5 per cent.

The moves hit hard into the banks' net interest earnings with Skandinaviska Enskilda Banken, the leading Swedish bank, reporting a fall in net interest earnings, for example, of SKr 62m (8.2m) per month in July and August.

Without any further change in interest rates S-E Banken forecast last month that its operating profits would be about the same or slightly lower than in 1983.

The earnings of PKbanken, the country's third largest commercial bank, have been even more adversely affected by

Sweden's restrictive monetary policy and the bank expects a decline of around 10 per cent in operating profits for 1984.

Earlier this year PKbanken, formerly wholly owned by the state, fulfilled a long-expressed desire to launch its shares on the stock market with a new share issue to private investors.

As a result of the issue the state's stake has been reduced to 55 per cent and further shares sales to the public have not been ruled out.

One of the chief reasons the PKbanken share sale was sanctioned by Sweden's Social Democratic Government was the state's need to ease the pressure on its own sorely pressed finances. The bloated state budget deficit continues to be a major influence on developments in Sweden's financial markets.

At the same time it is the budget deficit that ensures that the Swedish financial authorities are forced to follow restrictive credit policies. Lower Swedish interest rates will only be possible as a response to a general fall in world rates led by the U.S.

A recent report from the Riksbank accepted that economic development in Sweden had taken "a turn for the better in several respects. The growth of the Government's budget deficit had been broken and the deficit on current account has been more or less eliminated."

But in the same breath the central bank stressed that "this does not mean that the fundamental conditions for interest policy have changed."

The Riksbank maintains that the long series of years with large deficits on both the Government budget and the

current account have generated the combination of high domestic liquidity and massive external debt. "There is a continual risk of destabilising currency outflows. This means that Sweden is still highly vulnerable to the development of the international interest level."

A major factor behind the development of currency flows is Sweden's relative interest level, and the Riksbank justified the last jump in interest rates during the summer on the grounds of the sizeable flow of currency out of the country which followed the rise in international rates.

The bank admitted, however, that the higher interest rates also dovetailed well with the general direction of Government economic policy. Economic activity had strengthened appreciably and "warranted a tighter monetary policy. This must help to subside inflationary tendencies and create conditions for a further improvement in the balance on current account."

Fears of too sharp a rise in domestic consumption next year which would both fuel inflation and draw in more imports thus worsening the current account, also lay behind the recent package of tax increases imposed by the Government.

A number of specific purchase taxes have been increased — mainly from the beginning of December — on items ranging from petrol and electricity to alcohol, tobacco and foreign charter travel.

The Riksbank appears determined to use its influence to counter any moves by the Government to loosen its grip

"There must be a further reinforcement of the balance on the current account and a reduction of the Government deficit," it says in its latest quarterly report.

"Increased Government borrowing as a substitute for a tighter interest policy would not acknowledge the continued existence of fundamental imbalances. It is not until a balanced position has been consolidated that there is greater scope for a more independent interest policy."

The strain emanating from the state budget deficit has also been a pressure for reform in the Swedish financial markets. With "paradoxes" in monetary policy in 1982 the Government began to move towards a much more market-orientated financing method.

The first new ground towards the creation of a functioning money market was broken in 1980 when the banks introduced certificates of deposit, but the pace began to quicken in 1982 with the launch by the state of Treasury bills.

At the end of 1982 the banks began to establish a market for commercial bills. Last year the Government launched Riksbankobligationer, market rate state bonds to tap the liquidity of the corporate sector at the long end of the market.

The credit market has been revitalised by the new debt instruments that have been introduced, but it has also been encouraged by a number of other deregulation measures.

Bank liquidity requirements have been abolished, bond issue controls have been made less rigorous and bank interest controls have been replaced by a recommendation of the central bank.

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Nordic Banking and Finance 3

Freer credit market as shackles come off

Norway
FAY ØJESTER

THIS YEAR has seen a number of significant moves by Norway's Centre Right Coalition Government towards a freer credit market. Many of the controls which have shackled the country's banks and credit institutions since World War Two have been lifted, or earmarked for abolition soon.

On January 1, direct regulation of bank lending, reimposed in summer 1983, was once again revoked—although primary reserve requirements were raised, from the same date, by one percentage point to 5 per cent, in the hope of discouraging a lending surge.

Simultaneously, the bond investment obligation applying to banks and insurance companies was eased. This had required both groups to invest a large share of any increase in their assets in bonds. In January it was cut from 15 per cent to zero for the banks and from 40 per cent to 30 per cent for the insurance companies.

Although the marginal requirement was dropped, in the banks' case, they still had to maintain bond holdings at the end-1983 level. A further relaxation of the rules, from January 1, 1985, will abolish this obligation completely, for the banks, while the insurance companies' marginal requirement will be lowered from 30 per cent to zero.

Another step in the right direction was the abolition, from June 30, of regulations limiting the extent to which finance institutions could guarantee so-called "grey market" loans—that is, loans

raised on the unregulated credit market. These rules had been introduced to curb the boom in grey market loans which followed the imposition of direct controls on bank lending. When the latter were lifted, the grey market's share of consumer borrowing immediately began to decline, and the guarantee restrictions were no longer needed.

Direct control of factoring and leasing loans by finance companies was also abolished from mid-year, and replaced by primary reserve requirements—although other kinds of loans by these companies continue to be directly regulated. Their loan totals—excluding factoring and leasing—must not expand during 1984, by over 8 per cent.

From January 1, 1985, "framework guidelines" aimed at regulating bond issues by credit institutions, on behalf of business and industry, will also be abolished.

Banks and insurance companies are not allowed to issue bonds, but moves are afoot to permit banks and finance companies to issue short-term negotiable paper (deposit certificates), and an attempt will be made to establish a market for such paper issued by well-established companies. The finance ministry is also considering the possibility of offering treasury bills at market rates.

After representations by the Norwegian Commercial Banks' Association, the Government agreed—a couple of years ago—to let the banks make kroner loans to the oil sector. This arrangement is now being extended to other foreign customers, although subject to a ceiling for 1985.

The Association also appears to be winning acceptance for its argument that the Bank of Norway should place part of its vast foreign exchange reserves with Norwegian banks, provided that the Norwegians can offer competitive terms.

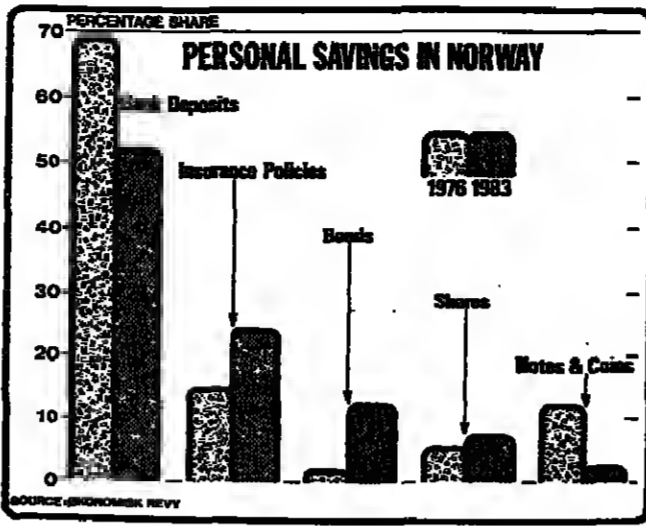
The national budget for 1985, tabled early in October, foresaw a gradual liberalisation, next year, of private sector capital exports. It said that Norwegian companies with foreign currency income would be allowed greater freedom to spend this money abroad. Moreover, Norwegian-based companies, and individuals resident in Norway, would be allowed to buy foreign bonds—up to a certain limit. This was meant to match the freedom which foreigners have had, until recently, to buy Norwegian bonds—up to a limit of Nkr 1m (\$129,000) per individual investor.

Norway was recently forced to bar foreign purchases of Norwegian bonds, however, because of a worryingly large inflow of capital under just this heading. Between October 1 and November 15 foreigners bought some Nkr 5br worth of Norwegian bonds. They were attracted by the stable krone and the relatively high interest rates prevailing in Norway.

Payments surplus

The Bank of Norway pointed out that Norway with a substantial payments surplus because of its North Sea oil and gas, did not need all this foreign cash.

While much progress has been made in liberalising the credit market there is some way to go yet. Banks and life insurance companies, for instance, may not charge what the market will bear on their loans to customers. They must keep their average interest rates within limits announced periodically by the Minister of Finance.



The minister's last "interest rate declaration" on June 26, specified an average rate of 12.6 per cent per annum for short-term and 12 per cent for long-term loans. This compared with the 12.5 to 13 per cent, which the Bank of Norway was then charging for short-term funds—since raised to 13-13.5 per cent.

The Government's regulation of bank and life insurance company interest rates keeps the cost of borrowing from these institutions artificially low. At the same time Norway's tax system—which makes all debt interest deductible—also encourages borrowing.

With these two powerful stimuli to loan demand in operation, the banks are expected to keep their total lending within guidelines set twice yearly by the Government—in the national budget, tabled in October and in the revised national budget, which comes some seven months later.

The virtual impossibility of complying with official lending ceilings is demonstrated by the fact that the Government has so often had to resort to direct regulation of bank lending.

When direct regulation is abolished as it was in January this year, lending volumes soar. In the first 10 months of this year the increase in lending by

the commercial and savings banks totalled Nkr 26.4bn—some Nkr 5.9bn more than the guidelines allowed.

The increase has occurred despite Government steps to discourage it. Minimum reserve requirements for South Norwegian banks have been raised three times this year—most recently on August 31, from 7 to 10 per cent—while the Bank of Norway has increased its charges for short-term funds, in order to make bank borrowing more costly.

The net effect of these developments has been to squeeze the banks' interest margins. This was reflected in most of their eight-month reports, published in October. Fortunately, however, the trend has been largely offset by an improvement in profits on other activities—particularly share trading, reflecting Norway's stock market boom, and currency dealing. Labour costs have risen less than in previous years, following the relatively moderate wage settlement reached last spring.

On the whole, therefore, Norwegian banks can expect a 1984 profitability rate—profits, in relation to total assets—equaling, or only slightly lower than, the excellent results which most of them achieved last year.

Interest rates exposed to economic forces

Finland
LANCIE KEYWORTH

THE past twelve months may well be remembered as the year in which the swaddling clothes were finally removed from the Finnish infant money market and it was eventually exposed to the strange perils of more open economy forces.

The result has been some lousy bawling, but the prognosis seems to be satisfactory. It is perhaps unfortunate that 1984 was not a "normal" year, due to a confluence of circumstances.

Paradoxically, the surge in confidence in the strength of the Fimmark earlier this year, which was a desired aim of the Bank of Finland's monetary policy, led to a flood of short-term capital imports as Finland's Western exports rose sharply.

This was not the object of the exercise. The Central Bank was keeping money tight at home to contain inflationary pressures during the current economic upswing, indeed mild boom of sorts.

The bulk of the new money inflow was placed in the unregulated financial market where interest rates were around 16-17 per cent. Companies and other corporate bodies made a quick killing by placing their surplus short-term liquidity in the banks' finance companies.

Early in September, the Bank of Finland decided to revise its two main instruments of monetary control, the cash reserve deposit system and the regulation of average lending rates.

The base for calculating the reserve that deposit-taking banks must place in the Bank of Finland had been the Fimmark deposits from the public at regulated (also called administrative) rates plus half the deposits denominated in foreign currency. The base has now been broadened to take in all

foreign currency deposits, unregulated money deposits, and from January 1, 1985, deposits from companies which, with Bank of Finland approval, finance their export receivables or imports through loans raised in their own names from foreign financial institutions.

As the cash reserve requirement was kept at 5.6 per cent (upper limit 8 per cent), the base was broadened by about 30 per cent, according to the June figures, which increased the maximum deposit requirement from FM 9.2bn (\$1.5bn) to FM 12.2bn.

The immediate increase for the banks was about FM 2bn and this is being collected progressively in October-December. Simultaneously, the Bank eased its regulation of average lending rates. In practical terms, this meant that if a bank's average deposit rate rises by one percentage point, it may raise its average lending rate by 0.3 points.

This applies to funds included in the bank's balance sheet, not the unregulated funds which channelled through its finance company.

The joint delegation of the banks met towards the end of October and decided to modify their old cartel agreement of deposit rates, not to abolish it as had been expected earlier.

From May 1, 1985, interest rates on cheque, one to five month deposit and Post giro accounts will be freed from the inter-bank agreement. The newer agreement on unregulated (also called fiduciary) deposit rates will end with the current year.

This left in force the agreement on all other untaxed deposits, provided that their tax-

free status is renewed by law for a further four years until the end of 1989.

The Bank of Finland's convertible currency reserve stood at about FM 18bn at the end of October, four times the total a year earlier. Possibly at least as much again has been blocked by strong central bank intervention during the year in the Forex market. The Bank had no further need of its standby credit arrangement and cancelled it. But it kept its call money market rate high, over 15 per cent.

As the call money rate has come to be used as a sort of reference by the banks for the unregulated money rate, the latter has been hovering around 15 per cent.

These rates compare with the Bank of Finland's base rate, 9.5 per cent, the financial institutions' 8 per cent on 12-month deposits, and average lending rate of 10.5 per cent on advances at regulated rates.

The liberalisation of short-term money rates has produced lending rates which companies now consider are too expensive for the start of urgently needed new investments. But the central bank with the inflationary scars of similar though smaller-scale situations of the recent past as a reminder, still refuses to be pressured into precipitate action.

The priority is containing inflation, which is down to about 7 per cent this year, and the aim is 5 per cent in 1985.

Finnish bankers wanted to open interest rates to market forces. Now they have seen what can happen. But the growth of Western exports is expected to slow considerably next year and the massive inflow of short-term funds can be reversed as long as they are locked up in the financial market and not placed in fixed investments.

Barriers come under attack

Denmark
HILARY BARNES

THE MOST intriguing development on the Danish financial scene was not a banking move but the decision by the country's largest insurance company, Hælna, to invite shareholders to place their shares in a newly-established holding company.

The significance of this move is that while insurance companies cannot, by law, conduct other than insurance businesses, the holding company is not so restricted. Hælna has not yet published its plans for the holding company but it is no secret that Hælna's managing director, P. Villum Hønsbo, has long-term visions of the establishment of so-called financial supermarkets, to which customers can go to conduct banking, insurance and mortgage business.

It is a fairly rigid compartmentalisation between these three forms of financial business and Hælna wants to break the barriers down. However, there is considerable resistance to Hælna's ideas.

The national bank (Central Bank) has expressed its satisfaction with the present situation, a signal which has not gone unnoticed.

The Banks themselves are stand-offish in their attitude too. Mr Tage Andersen, chairman of the Banker's Association and general manager of Danske Bank, said that the current division of labour among the financial sectors works well.

"The division has produced a suitable degree of specialisation. There is expertise in the different areas at a satisfactory high level. If everyone trades in everything, the expertise may be spread too thinly," he said. He suggested that financial

shopping centres might be a better concept than financial supermarkets, where the best possible expertise can be sought out, but each maintaining its specialist features.

Whatever the future holds for the more ambitious plans for bringing together banking, insurance and mortgage credit business under one roof, it is not into a single office, the past year has seen a spate of new products launched in cooperation between the insurance companies and the banks or mortgage institutions.

The innovations—insurance-linked bank service accounts against inability to pay bills in case of sudden disability, insurance for the same reason linked to mortgages, and similar products—are probably more a result of the competitive situation in the financial markets in 1984 than a sign of a lowering of the barriers between the sectors.

Rapid decline

Large profits were made in the financial sector in 1983. They were generated by a rapid decline in yields and a rise in prices, in the bond market between the Autumn of 1982 and the Spring of 1983, when yields fell from around 22 per cent to under 13 per cent.

These movements generated very large capital gains. As the banks report the change in portfolio values between the end of each year as a profit or loss in their accounts, bank profits were formidable.

With a similar effect in the insurance and mortgage businesses, there was a lot of scope for the expansion of financial services in 1984 and fierce competition for market shares.

In 1984, interest rates have risen again slightly, which means that there will be little or no gain in portfolio values (unless bond prices rise significantly between now and the end

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Sweden eventually lifts ban on outsiders

Foreign Banks
KEVIN DONE

DURING THE next 12-18 months both Norway and Sweden are coming in from the cold with decisions to finally open their borders to foreign banking operations.

Sweden's stubborn unwillingness to allow entry to foreign banks — hitherto they have only been able to open representative offices — had become a source of severe embarrassment since both its neighbours Finland and Norway had earlier chosen to fall into line with international banking practice.

Ever eager to score points off its Nordic neighbour, Norway took the chance of its plans for liberalisation to point out earlier this year that Sweden would soon be the only country in Europe "side from the dictatorships in the East Bloc" still to maintain a ban on foreign banks.

Denmark was the first of the Nordic countries to allow the establishment of foreign banks in the mid-1970s, a move forced on it by its entry into the European Community. To the surprise of its neighbours Finland also liberalised its legislation in 1979, which led to the first foreign banks starting operations in 1983.

Three foreign banks now have subsidiaries in Helsinki, Citibank, Chase Manhattan and Banque Indosuez, which has set up a subsidiary in which Postipankki, the Finnish Post Bank, owns 15 per cent. They may soon be joined by Samuel Montagu. A foreigner may also acquire the total shares in a Finnish bank with the permission of the Ministry of Finance—provided that the total amount of shares does not exceed 20 per cent of the bank's equity.

Recent plea
Swedish legislation currently forbids any foreign ownership of Swedish bank shares, and there appear to be no imminent plans for relaxing this restriction despite a recent plea from leading domestic banks.

As part of their response to the threat of increasing foreign competition three leading Nordic banks, Skandinaviska Enskilda Banken of Sweden, Union Bank of Finland and Bergen Bank of Norway decided earlier this year to enter into a far-reaching co-

operation pact under the name "Scandinavian Banking Partners."

The venture is aimed at giving corporate customers much improved cash management services throughout Scandinavia along with unmatched access to borrowing in the three local currencies. The venture is supposed to be cemented by an exchange of shares between the three banks—S-E Banken, for example, would take a share of up to 10 per cent in Union Bank—8 per cent in Unioo Bank—

but this move is blocked for the moment by restrictive Swedish legislation.

Ironically it is the foreign banks that will soon be able to lay the best claim to offering corporate clients a pan-Nordic banking service.

A total of nine applications to establish foreign banking subsidiaries in Norway had been received by the September 1 deadline set by the Norwegian authorities and a decision on how many licences will be issued should be made around the turn of the year.

The nine applicants are: Chase Manhattan, Citibank, Banque Indosuez, Manufacturers Hanover, Banque Nationale de Paris, Banque Paribas, Samuel Montagu, Svenska Handelsbanken, and in a joint application Wernlandsbanken and Uplandsbanken, two regional Swedish banks.

Banque Nationale de Paris has applied with the Tromsø-based Forrettingsbanken and a share of 25 per cent is sought for the Norwegian partner. Banque Indosuez is also seeking to establish a co-operative venture with the Stavanger-based Rogalandbanken with a 20 per cent share for the Norwegian bank.

The situation is not quite so advanced in Sweden, but during the autumn a special committee of inquiry established by the Government recommended that foreign banks should be allowed into Sweden, too. The committee laid out a clear timetable which the Government is expected to follow. It suggests that the proposed changes in the banking law should come into force on July 1. The foreign banks would then be given four months in which to lodge their applications with a closing date of November 1 1985. It should be feasible for the foreign banks to start operations around the turn of the year 1983/84.

The committee's report, which is likely to be mirrored fairly closely by the final legislation, includes the following points:

- Foreign banks should establish subsidiaries, not branches. Equity capital will be limited to a maximum of SKr 75m (\$9.3m) and a minimum of SKr 25m in the first year of operation.
- Several foreign banks could co-operate to form a jointly-owned consortium bank, but they should not be allowed to take in a Swedish partner. Foreign banks would not be allowed to buy a holding in existing Swedish banks.
- In the first phase at least foreign banks will be prohibited from establishing further subsidiaries such as finance companies or brokerage companies.
- Foreign banks will have to undertake to provide a "relatively broad range of activities in Sweden." The committee is concerned that foreign banks should not simply cream off lucrative business in their chosen specialities, but should offer a broad range of banking services, including, controversially, retail banking.
- Banks will be favoured that show they are ready to train up their own staff rather than poach from existing institutions.

Advanced level of automation

Electronics
ELAINE WILLIAMS

A HIGH degree of automation is the hallmark of most of the Scandinavian banks, with investment in high technology being necessary to improve efficiency in a very competitive market.

This trend is most strongly pronounced in Sweden, where the ability to introduce a high degree of electronics has been aided by an agreement to standardise the 14 commercial saving and co-operative banks sharing a common check system.

It has given the country the benefits of cheque truncation for example, where an electronic facsimile of the actual cheque can be transmitted to the bank branch where the cheque would normally have to be physically presented. Britain, in comparison, is a long way from achieving this cheaper system of clearing personal cheques.

Late in 1983, Swedish banks began to start trials as part of a larger project to establish an on-line clearing system using the bank giro centres. This means that the clearing of cheques will take place at the time of the transaction rather than a few hours or even days later.

Other common systems include the sharing of bank automated teller systems—also a feature in Finland. Last year the Scandinavianiska Enskilda Banken, Sweden's largest bank, tested SKr 150m for a new generation of automated teller machines.

For 1984 the main development emphasis of the banks has been on a single standard banking card called the koptkort. This will be a cash withdrawal card for use with automated teller machines a debit card with applications in supermarkets and shops and a conventional credit card.

Soon bank employees will be issued with the card for the early trials. It may even be valid at petrol stations which are already familiar with card operated pumps.

The koptkort is a concept which is spreading throughout Scandinavia. Denmark was the first country to announce its commitment to such a system. Its Dancard has similar uses to the koptkort. It will be valid at all retail outlets of a planned nationwide network for electronic funds transfer at the point of sale (EFTPOS).

Thorny question
One of the problems which has held up the introduction of similar networks in Europe has been the thorny question of who actually pays for the equipment which must be installed in retail outlets.

Denmark has found a solution. There banks will pay for the cost of the terminals until their installation, while the PKK, the Danish credit card and banking organisation, bears the communications, administration, central computer and marketing costs. Cardholders will not get away entirely free and some charges will be levied.

Norway has chosen to levy a charge of about 10p per transaction on its common card system. This is likely to grow from a small network to a full on-line system next year.

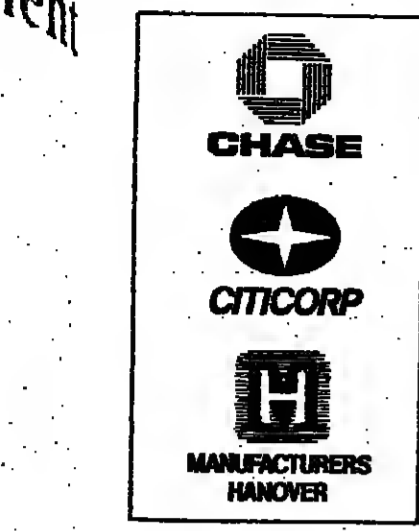
Home banking systems are slow to catch on in most countries, and Scandinavia is no exception. In Sweden more than 90 per cent of all transactions are in cash, which means that there is very little demand for a sophisticated home-banking network.

Finland, by contrast, has dabbled with an electronic banking system. The Union Bank of Finland has a system which is based on a touch tone telephone, and a voice response unit connected to the bank's central computer. When a customer wants to pay a bill or transfer money between accounts, he dials the computer centre and responds to the spoken instruction given by the computer. After a series of security codes the user enters the details of the transaction.

Automation is not the preserve of retail banking, however. Corporate customers are beginning to reap the benefits of technology, too.

On a united front, the Swedish banks are setting up a network called Banknet which will allow corporate customers to be connected into the national banking system. SE Banken, being the largest commercial bank in Sweden, has a range of corporate services. It has a comprehensive strategy for its corporate customers which includes the provision of electronic services, giving investment advice, loan calculations and tax and financial analysis.

The bank introduced a small computer service which provides computer programs which will run on more than 20 makes of microcomputer. This has been offered at a limited number of bank branches but eventually those with a computer will be able to be connected directly into the bank's central system.



Profile: Storebrand-Norden
Keeping it in the family
BY FAY GJETER

STOREBRAND - NORDEN, Norway's largest insurance group, was formed through the recent merger of the country's two leading insurers in the sector. An odd aspect of the union was that the two partners could trace their respective histories back to companies founded more than a century ago by members of the same family.

Storebrand was founded as a fire insurance firm, in 1847, by a group of businessmen including one Joergen Gjerdum. Twenty years later, his younger brother Karl Ferdinand started Norden.

Approved in 1982, the Storebrand-Norden link-up took effect last year. The group, thus created, has 30 per cent of Norway's risk insurance market and nearly 20 per cent of its life insurance market.

Gross premium income from non-life policies totalled Nkr 5,254m (\$674.5m) in 1983, of which Nkr 2,325m came from foreign business. The latter figure was 21 per cent up on a year earlier, reflecting the group's acquisition, in 1983, of a U.S. company, Sunland General Insurance Corporation of New York.

Storebrand-Norden's areas of activity include — as well as life and risk insurance—marine, and offshore insurance, international reinsurance, and finance and investment. Turnover in 1983 reached over Nkr 5bn, and total assets at the end of the year stood at Nkr 17bn. Share capital was this year increased by Nkr 10m to Nkr 620m.

The group's half-year report, published in October, said its life insurance activities and finance companies had done well in the period, but that profits on non-life insurance were down in the opening half of 1984.

Nevertheless, group results for the whole of this year, excluding life business, are expected to be above last year's total of Nkr 227m.

Premium income in the non-life sector was only 2.5 per cent up at Nkr 2.3bn, of which foreign business accounted for 43 per cent. Despite net financial income of Nkr 156m, operating profits were halved to Nkr 66m, reflecting a significant rise in claims.

Profits on industrial policies fell to Nkr 4m from Nkr 45m, and motoring business showed a deficit of Nkr 40m, twice as high as in January-June 1983.

The deficit on combined insurance rose to Nkr 23m, from Nkr 1m. Maritime, transport and credit insurance showed the most marked growth in premium income.

The group's two finance companies, Custos Finans and Norsk Finans, achieved a profit of Nkr 51m before had debt provisions—Nkr 29m up on a year earlier.

The life insurance company Storebrand - Norden Liv increased premium income by 28 per cent to Nkr 567m in the half year, while financial income rose by 21 per cent to Nkr 410m. Profits after allocations were Nkr 287m, compared with Nkr 239m.

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16,200 MSEK (USD 1,950 millions), while consolidated income has improved by 35% to 1,440 MSEK (USD 170 millions). Group sales outside Sweden have increased by 34%, from 7,510 MSEK to 10,087 MSEK (from USD 900 millions to USD 1,215 millions), and represent 62% of company turnover. Pre-tax return on total assets has improved over the last twelve month period to 16.1% from 15.9%. Calculated total assets, noninterest bearing liabilities excluded, the pre-tax return amounted to 22.9% (22.2%).

Over the last five years Saab-Scania has established an enviable record of financial growth. That growth is the result of specialization and concentration on well defined market segments and in advanced products within the automotive and aerospace fields. The outcome of that concentration can be seen in the development of products such as the high performance passenger car Saab 9000, the medium heavy truck Scania 92, and the regional airliner Saab-Fairchild 340.

During 1984 the Saab-Scania Group estimates to achieve an increase in sales of 25%. Earnings will increase at a somewhat faster rate. A large part of these improved results will be used to increase the investment in production facilities. Primarily to meet the increasing demand of export markets, but also for the further development of innovative products.

That the strategy is the right one is demonstrated in the latest financial report. Consolidated sales over the first eight months of 1984 have risen by 27% from the same period last year, to

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SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Wednesday December 19 1984



Salén in plea to Palme for rescue

By Kevin Done in Stockholm
MR SVEN-SALÉN, chairman of Saléninvest, the struggling Swedish shipping group, met Mr Olof Palme, the Swedish Prime Minister, yesterday in a last effort to save the company from financial collapse.

How IBM is erasing the competition

BY LOUISE KENOE IN SAN FRANCISCO

IBM is causing chaos in the U.S. personal computer industry and among its suppliers. Executives of the company's Entry Level Systems division, which makes personal computers, have revealed that they are aiming for growth of 30 per cent in 1985, twice that of the group as a whole.

Apple Computer, the second largest U.S. personal computer maker, "could not afford to do what they are doing. We are the lowest cost producer, and we could not sell a comparable product to the dealers for what they are selling them for without losing money," he said.

gain the loyalty of future business leaders with student machines. It is, however, in the business sector that IBM's big thrust is being made. With the PC AT (for advanced technology) introduced in August, IBM has created a new level of competition among personal computer manufacturers.

although others report no such problems. The Entry Level Systems division told dealers last week that it will not be able to fulfil all orders for the hard-disk version of the PC AT through the first quarter of 1985.

operating its own production facilities for disk drives, according to Mr James Forier, president of Disk/Trend, a Los Altos market research firm. The group is also known to be considering Japanese disk drive suppliers. Both moves are bad news

Pioneer may put itself up for sale

By William Hall in New York

PIONEER Corporation, which played a key role in discovering the vast natural gas reserves of the Texas Panhandle has hired a leading New York investment bank to help it to decide whether it should go up for sale.



Skandia trims forecast

BY OUR NORDIC CORRESPONDENT

SKANDIA, Scandinavia's biggest insurance group, has again been forced to lower its profits forecast for 1984 drastically.

meet the probable increase in future losses. The group expects to show a profit after tax of only SKr 10m for 1984. Even that tiny profit was made possible only through capital gains of about SKr 200m from securities sales made since last year's forecast in September.

Canberra lifts limit on foreign role in brokers

By Lachlan Drummond in Sydney

THE AUSTRALIAN Government has lifted the foreign shareholdings limit for the stockbroking industry from 15 per cent to 50 per cent. The decision will allow those foreign groups which have established footholds in broking to boost their holdings and it can also be expected to draw additional foreign players into seeking a presence in Australia.

Einaudi set to break even

BY ALAN FRIEDMAN IN MILAN

EINAUDI, the troubled Italian publisher of high quality works of literature and art, will break even this year after suffering huge losses in 1983. The Turin-based company, which was put in the hands of government-appointed receivers last January, is also expected to emerge from receivership in 1985, according to Dr Giuseppe Rossotto, the commissioner who is managing Einaudi.

Rhône buys control of Brown Disc

BY DAVID MARSH IN PARIS

RHÔNE-POULENC, the French state-owned chemicals group, has reinforced its position in information technology by buying control of Brown Disc, a specialised U.S. floppy disk manufacturer.

UK COMPANY NEWS

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Toronto and Amex plan electronic link By Bernard Simon in Toronto THE AMERICAN and Toronto stock exchanges are to develop an electronic link between their trading floors, allowing orders in the U.S. or Canada to be routed automatically to the exchange best able to execute them.

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Steady growth at U.S. retailer By Terry Byland in New York A SUCCESSFUL third-quarter at Great Atlantic and Pacific Tea, the seventh largest U.S. supermarket chain, which is controlled by Tengelmann of West Germany, saw profits maintained at operating levels despite the costs of new store openings, acquisitions and special marketing projects.

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WHY THE PRICE WATERHOUSE/DELOITTE MERGER FAILED

Accountants get wrong answer

BY ALISON HOGAN IN LONDON

THE ABRUPT termination of merger talks between chartered accountants Price Waterhouse and Deloitte Haskins & Sells, announced yesterday, surprised the accountancy profession as much as the original news that they planned a merger.

About 4,000 partners in the two firms worldwide completed a secret ballot last Thursday, after 15 weeks of campaigning on the part of key partners. That included a series of meetings with all staff and the distribution of a 250-page prospectus outlining the proposals and comprehensive details of the firms' practices and markets both nationally and internationally.

Serious reservations had been expressed by partners at the time of the announcement in August. The general feeling within the accountancy profession, however, was that having allowed the talks to progress so far partners would vote to support the strategy of their management.

"I am extremely surprised the management allowed it to happen. In a professional organisation an event like this is quite undesirable," said Mr Michael Blackburn, senior partner of Touche Ross UK.

"It is quite an extraordinary turn of events that the partners did not deliver the support," said Mr Don Hanson, senior partner of Arthur Andersen UK.

Rumours of mergers have been rife in the U.S. for the last year as the big eight accountancy firms have battled in an increasingly competitive and aggressive marketplace. Fee income between the first and eighth largest firms varies much more than in the UK.

Deloitte, holding seventh place in the U.S., seemed a particularly strong candidate for a merger, but few predicted that Price Waterhouse would be the partner.

Price Waterhouse has a carefully cultivated image of quality and aloofness with an impressive blue chip client list. It has an efficient

management structure and is generally thought to generate more profits per partner than Deloitte.

In the UK Deloitte is the third largest firm of accountants, just ahead of Price Waterhouse. With a much smaller fee income differential between the largest UK firms, the merger appeared to make little sense.

The merged UK practice would have had a fee income, on 1983 figures of over £138m (\$162.94m) compared with the £74.3m income of Peat Marwick Mitchell, the largest practice.

In the U.S. the combined practice would have just beaten Arthur Andersen into first place by U.S.\$16m with fee income of U.S.\$223m.

The two firms' competitors have expressed relief that the period of uncertainty is over. They admit that the prospect of a merger forced them usefully to reappraise their strategy, but are happy that they can proceed at a more measured pace.

Return to black forecast by VW

By John Davies in Frankfurt

VOLKSWAGEN, the West German motor vehicle group, will report a profit this year. It has made considerable headway in dealing with deep-rooted problems which caused losses of DM 515m (\$167m) in the previous two years.

At the same time, VW has voiced concern about the unsettled state of the West German car market, where orders are suffering from the controversy about diesel emission controls. On the other hand, VW sees further good prospects in the U.S.

The turnaround to a profit for 1984, which VW so far is reluctant to estimate, is a notable success for Dr Carl Rabus, who took over as chief executive in 1982 just as the car group was plunging deeper into trouble.

Even so, VW says that the profit, while a major step ahead, is still not satisfactory. There has been considerable speculation that VW may be able to resume paying a dividend after emitting a payout for two years in succession. But VW has declined to comment on this.

The company, which is 20 per cent owned by the Federal Government and 20 per cent owned by the state government of Lower Saxony, last paid a dividend of DM 5 per share on its 1981 results. It made a group loss of DM 36m in 1982 and DM 215m last year.

This year has been greatly helped by the strength of the U.S. dollar, which has boosted U.S. sales and earnings in D-Mark terms. It has also gained from intensive rationalisation measures and much improved export sales.

Its Latin American operations, as well as its Triumph Adler office equipment subsidiary, will again report losses. However, it has considerably reduced its loss in Brazil, where it has carried out major restructuring.

VW expects group worldwide sales to rise 12 per cent to about DM 45bn this year, despite disruption to output during the West German metal industry strike in May and June.

Sales by its Audi subsidiary are expected to show a 9 per cent increase to about DM 9bn.

The group expects to deliver about 2.16m VW and Audi models to customers worldwide this year, 2.5 per cent more than last year.

Deliveries in West Germany will approach last year's level at 722,000, while deliveries in European export markets will rise 2.7 per cent to a record 625,000.

In the U.S. sales are up a hefty 17.5 per cent to 250,000.

Akzo still wants U.S. acquisition

By Laura Raun in Amsterdam

THE FAILURE of Akzo, the Dutch chemicals group, to snare the chemicals division of Beatrice Foods is a setback for its well-known search for a U.S. acquisition.

Akzo has confirmed that it was in the bidding against ICI, which last week announced that it was buying Beatrice's worldwide chemical activities for \$750m. The Arnhem-based chemicals concern, however, is continuing its efforts to find a suitable U.S. partner.

Olivetti seeks quotations in Brussels and Zurich

BY ALAN FRIEDMAN IN MILAN

OLIVETTI, Italy's leading data processing equipment company, is to seek stock exchange listings in Brussels and Zurich early in the new year, but the Ivrea-based group has postponed plans for a Wall Street quotation (and share issue) until late next year or early 1986.

Apart from Olivetti's quotation on the Milan bourse, where its total market capitalisation stood yesterday at L2,762bn (\$1.45bn), the company's shares are already listed in Paris, Frankfurt and Geneva. The strategy now is to achieve a

broad spread of share trading in continental Europe during 1985 and then to seek simultaneous quotes in New York and London by early 1986.

The Wall Street quotation, which could also involve an issue of between U.S.\$50m and \$100m in new shares, was originally scheduled for this year. Last April Olivetti said it was postponing the issue until 1985 in view of "uncertainty on the American stockmarket and the restrictive time limits for the fulfilment of technical requirements."

Aga's control of Uddeholm rises over 50%

By Kevin Dons, Nordic Correspondent

AGA, the Swedish industrial group, has strengthened its grip on Uddeholm, the tooling, steel and hydro-power group, with the acquisition of further shares worth around SKr 39m (\$4.51m).

AGA said yesterday that it now controls directly, or indirectly, more than half of the votes in Uddeholm, which will be consolidated in AGA group financial statements from December 31.

Last year Aga had a turnover of SKr 5.5bn and a workforce of some 11,300. Uddeholm expects a group sales of around SKr 2.4bn this year and has a workforce of 2,700.

Its Latin American operations, as well as its Triumph Adler office equipment subsidiary, will again report losses. However, it has considerably reduced its loss in Brazil, where it has carried out major restructuring.

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The following have agreed to subscribe or procure subscribers for the Notes:

Morgan Grenfell & Co. Limited

- | | |
|---------------------------------------|------------------------------------------|
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| County Bank Limited | Crédit Lyonnais |
| Credit Suisse First Boston Limited | Deutsche Bank Aktiengesellschaft |
| Hill Samuel & Co. Limited | E.F. Hutton & Company (London) Ltd |
| Lehman Brothers International | Lloyds Bank International Limited |
| Shearson Lehman/American Express Inc. | |
| Merrill Lynch Capital Markets | Mitsubishi Finance International Limited |
| Samuel Montagu & Co. Limited | Morgan Stanley International |
| Nomura International Limited | Orion Royal Bank Limited |
| Saudi International Bank | J. Henry Schroder Wagg & Co. Limited |
| ALBANK ALSAUDI ALALAMI LIMITED | |
| Westpac Banking Corporation | |

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the Notes to be admitted to the Official List.

Interest on the Notes will be payable semi-annually in arrear in each January and July commencing in July 1985.

Particulars of the Notes are available in the statistical services of Exel Statistical Services Limited and may be obtained during usual business hours up to and including 21 December 1984 from the Company Announcements Office of The Stock Exchange and up to and including 2 January 1985 from the following:

- | | | |
|----------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------|
| Credit for Exports PLC 72 London Wall, London, EC2M 5NL. | Cazanove & Co., 12 Tokenhouse Yard, London, EC2R 7AN. | Orion Royal Bank Limited 1 London Wall, London, EC2Y 5JX. |
|----------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------|
- 19 December 1984

All of these securities having been sold, this announcement appears as a matter of record only.

\$50,000,000



The Hertz Corporation

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Lehman Brothers
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November, 1984

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NEW ISSUE

December, 1984



¥12,500,000,000

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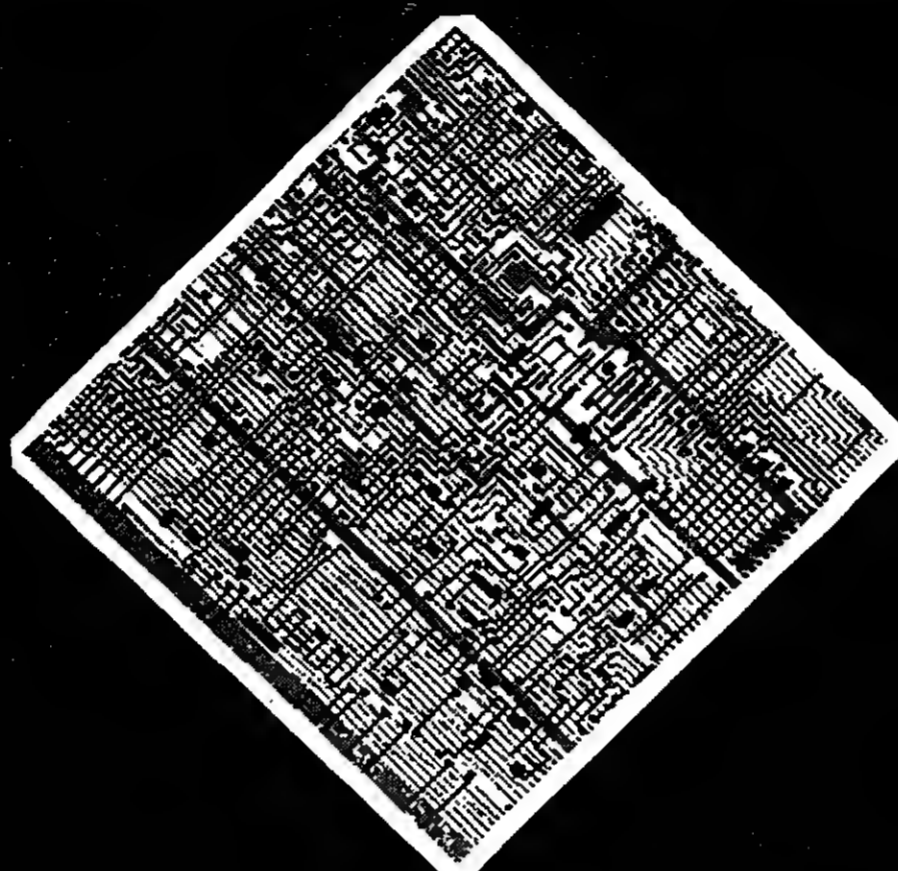
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INTL. COMPANIES & FINANCE

David Dodwell on Hong Kong's new Banking Commissioner Fell takes on troubleshooter role

MR ROBERT FELL, who, at the age of 63, has just been appointed Hong Kong's Banking Commissioner, seems an improbable troubleshooter. But that is the mantle he has been asked to wear in the British Colony's fast changing financial services industry.

Mr Fell was posted in October, 1981 from the London Stock Exchange, where he had been chief executive for five years; he has spent the last three years as Hong Kong's Commissioner for Securities and Commodities Trading, improving the credibility of the regulatory role, and preparing the ground for major reforms in the local securities industry.

Colonial Government found a permanent man for the job: "I will be in Hong Kong for six months," he said at the time.

His starting point for reforms at the Banking Commission will be a secret Bank of England report prepared in April this year by a team from its banking supervision department headed by Mr Brian Gent. After an investigation into the Hang Lung collapse, the team complained that the Banking Commission was not adequately protecting bank depositors, partly because it was preoccupied with technical breaches of the banking ordinance and failed to make wider judgments about banks and their obligations.

With or without the Bank of England report, the Hang Lung Bank collapse was watershed," Mr Fell notes: "The Government had to pick up the tab, because in a modern economy you can't just walk away from a bank failure.

"Banks are in a privileged position, and because of that have to act in a particular way. The authorities have the right to know more, and a laissez-faire attitude no longer works.

"The report is no more than a starting point," he cautions: "Time has already moved on. We have to decide what is possible in Hong Kong, and what is within our resources. This is not the City of London, and the banking commission is not the Bank of England, so there are constraints on us."

Mr Fell is backed up by Mr Richard Farrant, the newly-appointed adviser loaned to the Commission for two years from the Bank of England's supervision department — and a policy statement ready for Hong Kong's Executive Council by

the end of January. This will lay down a timetable for reforms to be tackled in 1985.

One of the highest priorities will be to "move closer to auditors," Mr Fell suggests. Bank auditors stand in future to have a responsibility to provide early warning signals to the Commission where a client is getting into any kind

however, will be the introduction of more rigorous disclosure rules for public companies.

Mr Fell is expected to succeed as a man with no career to chase, and with an authority created outside Hong Kong's civil service with its "infectious" reputation. He has earned a reputation as an independent mover whose only interest is in the creation of a better system: "As regulators, we are trying to make the market clean for the benefit of the operators themselves — whether they are in the stock market or the banking community — and if we manage that, we will automatically protect savers and their deposits," he says.

"There have been no particular signs in the past that the lack of disclosure here has been a hindrance to the flow of money. There is, nevertheless, a feeling that the market would be a better market with greater disclosure."

He makes light of the fact that he has no professional banking experience — partly because of a conviction that the regulator's job is similar, whatever part of the financial sector he is regulating, partly because there is an accelerating trend towards the creation of a "single financial market," and, no doubt, also because he is underpinned by 168 experienced staff and a high-flying adviser from the Bank of England.

Mr Farrant, who is 39, only recently returned to Threadneedle Street after putting the Isle of Man's banking industry — shaken to its foundations by the collapse almost three years ago of the Savings and Investment Bank — back on its feet.



Mr Robert Fell

of difficulty, Mr Fell comments: "They have a duty to us as guardians of the public and the public purse."

Local bankers seem confident he can bring changes where predecessors have failed. This is partly because of the foundations he has laid for change in the securities industry. The unification of the Territory's four jealously-competitive stock exchanges will take place in 1985, as will the establishment of a futures exchange. The 1985 development, most important of all,

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December, 1984

Yamaha shows first-half improvement

By Our Tokyo Staff

YAMAHA MOTOR, the world's second largest manufacturer of motorcycles, swung back into pre-tax profits of ¥1bn in the half year to October 30, from the previous first half loss of ¥13.9bn and the company posted a net loss of just ¥0.9bn, compared with a deficit of ¥14bn.

Domestic sales of motorcycles dropped 7 per cent to 1.27 million, having been affected by inventory adjustments at domestic dealers. Meanwhile, motorcycle exports centring on large models to western countries advanced by 11.7 per cent to 746,600. Sales of out-board engines and three-wheel cars mainly to the U.S. market, fared well.

For the full year to April 1985, Yamaha projects full-year motorcycle sales of 1.55m, up 19 per cent, with domestic sales of 650,000 units and exports of 900,000 units. Sales are projected at ¥890m, up 12 per cent, full-year pre-tax profits of ¥1bn, and net profits of ¥1bn.

Support for Japanese tax move

BY YOKO SHIBATA IN TOKYO

A RESEARCH commission of Japan's ruling Liberal Democratic Party which is considering the country's tax system has decided to back the imposition of a withholding tax on income accruing from the transfer of zero-coupon bonds issued by foreign corporations from next April.

Zero-coupon bonds have been extremely popular in Japan because the capital gains from sales of such bonds before maturity are tax free.

The LDP's Tax Research Commission and the Ministry of Finance (MOF) have also agreed on the need to impose a 20 per cent withholding tax on interest and dividend earnings on foreign bonds and securities as from

the start of the next fiscal year.

Japanese corporations and individual investors bought foreign bonds and stocks worth some ¥3,120bn (\$12.6bn) in the year to March 1984.

The MOF's plans to impose such a tax are likely to provoke strong criticisms from both Japanese corporations and the U.S., as it will run counter to the government's basic posture of deregulating and internationalising the country's financial and capital transactions.

Zero-coupon bonds are used as an effective means of getting around the government's tightened taxation on interest and dividend earnings. Sales of zero-coupon bonds were suspended in March 1982 by the MOF in a bid to halt the massive capital outflow from Japan which was a major contributing factor to the yen's weakness.

Sales of zero-coupon bonds on the domestic market were not allowed to resume until February 1983. Despite restrictions imposed on sales — held to only one-third of the total amount issued with each securities house limited to marketing not more than 10 per cent — zero bonds are still attractive for wealthy investors. Sales topped \$100m in July this year.

However, there are critics of the way the tax system treats such bonds, which are seen as a hot bed of tax evasion.



Red Nacional de los Ferrocarriles Españoles

SDR 50,000,000

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In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period commencing on December 20th, 1984 the Notes will bear interest at the rate of 8¾% per annum. The interest payable on the Interest Payment Date, June 20th, 1985 against Coupon No. 7 will be SDR4,455,206.3. The USS/SDR rate which will determine the USS amount payable in respect of Coupon No. 7 will be fixed together with the Interest Rate for the period commencing June 20th, 1985, on June 18th, 1985.

Fiscal Agent

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By: Bankers Trust Company, London
Fiscal Agent

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(Incorporated with limited liability in the Netherlands Antilles)
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Notice is hereby given that the Rate of Interest has been fixed at 9¾% and that the interest payable on the relevant Interest Payment Date, March 19, 1985, against Coupon No. 2 in respect of U.S. \$10,000 nominal of the Notes will be U.S.\$228.13.
December 19, 1984, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

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Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche A

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 19th December 1984 to 19th March 1985 has been established at 9¾% per cent per annum.

The interest payment date will be 19th March 1985. Payment which will amount to US \$5,742.19 per Certificate, will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

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U.S. \$75,000,000 Floating Rate Notes due 1986

For the six months 17th December, 1984 to 17th June, 1985

the Notes will carry an interest rate of 9¾% per annum with a coupon amount of U.S. \$249.62

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FOREIGN BANKS IN NEW YORK

The Banker in the March issue will be publishing its annual study on the expansion of New York as an international banking centre.

The study will again include the full listing of every foreign banking operation—Branch, Agency, Representative Office or Subsidiary—active at the end of 1984. Location, management, staffing and status are detailed in full.

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In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next six months 19th December, 1984 to 19th June, 1985 has been fixed at 9¾% per cent per annum. The Coupon Amount payable on Coupon No. 9 will be US\$4,960.76.

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Hambros Bank Limited
Agent Bank

S.F.E. INTERNATIONAL N.V.

U.S. \$75,000,000

Guaranteed Floating Rate Notes Due 1991

Guaranteed by Société Financière Européenne - S.F.E. Luxembourg

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 19th December, 1984 to 19th June, 1985 has been fixed at 9¾% per cent per annum and that the coupon amount payable on coupon No. 2 on 19th June, 1985 will be U.S.\$496.08 per Note of U.S.\$10,000 and U.S.\$12,401.91 per Note of U.S.\$250,000.

The Sumitomo Bank, Limited
(Interest Determination Agent)

U.S. \$20,000,000

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In accordance with the provisions of the Certificates, notice is hereby given that for the three month interest period from 19th December, 1984 to 19th March, 1985 the Certificates will carry an interest rate of 9¾% per annum. The interest amount payable on the relevant Interest Payment Date which will be 19th March, 1985 is U.S. \$23.28 for each Certificate of U.S. \$1,000.

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Cdn. \$100,000,000

International Bank for Reconstruction and Development

99-year Floating Rate Notes due 2083

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November 1984

INTL. COMPANIES & FINANCE

MacMillan Bloedel reorganisation takes time in coming to fruition

BY BERNARD SIMON, RECENTLY IN VANCOUVER

IT IS TAKING an uncomfortably long time for MacMillan Bloedel, Canada's largest forest products company, to reap the full benefits of a three-year drive to slash costs, modernise its plants and reorganise its corporate structure.

The company posted a meagre C\$7.5m (US\$5.7m) profit in the three months to September 30, a result little more unimpressive than the earnings of C\$0.6m a year earlier. Sales, on the other hand, bounced up by 21.3 per cent to C\$603m (US\$457m). Prospects for next year are uncertain. Mr Raymond Smith, MB's president, cautions: "1985 is a wait-and-see year—and that might be the optimistic view."

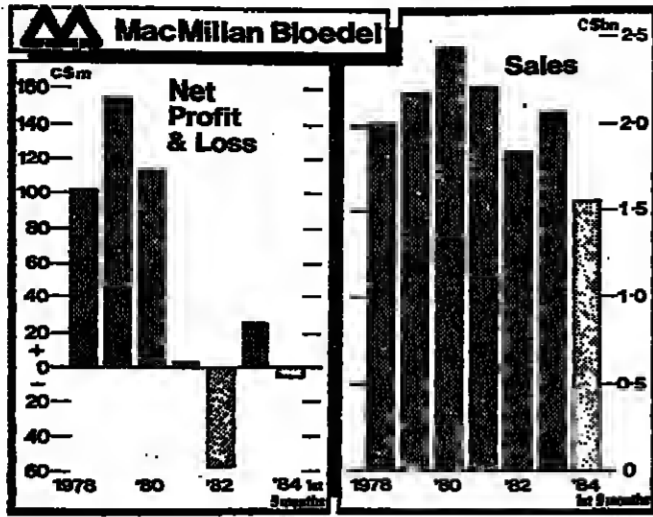
Despite realising C\$400m from the disposal of assets (including its Vancouver head office building) and cutting overheads by C\$150m a year, MB's balance sheet is still burdened by C\$48m of interest-bearing debt.

Mr Smith, a professional trumpet player for a time before he joined MB in 1957, says that the main plank of the company's financial strategy "is still to get that debt to manageable levels." Until then, a string of capital projects—each costing C\$30-40m—has been delayed. The company raised almost C\$50m from an issue of common shares in June 1983, and some analysts think another infusion of capital may be on the cards.

Operations span a wide range of forest products

MB's operations span a wide range of forest products, including logs, pulp, newsprint, building materials and packaging. Recent measures to improve profitability have centred on a shift of the product mix away from low-value commodities to specialised manufactured items. According to Mr Smith, the aim is to achieve "greater influence over our destiny than simply accepting the results of housing starts performance and hoping the highs more than offset the lows."

Mr John Duncanson, an analyst at McLeod, Young, Weir, the Toronto stockbrokers,



estimates that containerboard and packaging will rise to 25 per cent of MB's sales in 1985, from 19 per cent four years ago, while the contributions of lumber and pulp will slide from 32 per cent and 15 per cent respectively to 28 per cent and 10 per cent.

Typical of the high-value items which the company wants to sell in greater quantities is Parallam, a structural product made from long strands of wood and a waterproof adhesive. The ingredients are pressed into a continuous rectangular beam which can be cut to any length to suit customers' needs.

MB is nearing the end of a C\$1.2bn investment plan to adjust its plants to these new demands while bringing down unit costs.

The capacity of several paper machines has been raised, and modifications made to produce newsprint suitable for quality colour reproduction. Output of thermo-mechanical pulp is rising to replace higher-cost chemical pulp. A new sawmill at Chemainus, on Vancouver Island, due to be commissioned later this month, will turn out two-thirds of the volumes of the mill it is replacing, employing fewer than one-quarter the number of workers.

Such signs of progress have so far been overshadowed, however, by a number of serious setbacks. Depressed lumber prices are a major drag on all North American timber growers. Despite their eagerness to sell more processed

products, British Columbia producers are having to ship record volumes of raw logs, mainly to Japan and China.

Over-capacity has recently reversed a rise in pulp prices, and Mr Smith expects a similar development in the newsprint market in 1985.

In addition, MacMillan Bloedel has problems of its own. The British Columbia forest industry is divided into two distinct regions, inland and coastal. MB has the misfortune to be based on the coast (including offshore islands), where rugged and remote terrain coupled with a scattered variety of tree species and sizes raise logging costs to double those of inland forests.

British Columbia as a whole has maintained its 18 per cent share of the U.S. lumber market, but the proportion supplied by inland producers has risen at the expense of MB and other coastal companies. To make matters worse, the market share of Eastern Canadian producers has tripled in the past 15 years.

Mr Smith dismisses suggestions that MB should expand into the hinterland, saying: "I'd rather deal with what we have and make that work." For instance, the company is trying to capitalise on vast holdings of valuable red cedar by launching a campaign to encourage greater use of cedar for home building and decoration, as a replacement for diminishing supplies of U.S. redwood. MB is also examining the use of

low-cost cedar chips for pulping. High labour costs and endemic industrial unrest have further weakened British Columbia's forest companies. Strikes or lock-outs have disrupted the industry during five of the past eight labour contract negotiations. A 10-week stoppage earlier this year pushed MB into a C\$17.5m loss over January to March.

In a bid to weaken the trade unions' bargaining power, the Province's 14 major pulp and paper companies have asked the authorities to allow negotiations between union branches and individual employers to replace the present system of industry-wide bargaining.

MB has lowered its dependence on British Columbia by establishing—and recently expanding—a large facility at Pine Hill, Alabama. Pine Hill produces lumber, plywood and packaging materials. The C\$290m expansion has raised its annual capacity to 600,000 tons of linerboard and corrugated paper a year, equal to 5 per cent of total U.S. capacity. Pine Hill may also be designated to produce the new Parallam beams.

MB strengthened its European packaging operations last year by merging them into a joint venture with Jefferson Smurfit, of Ireland, and the Swedish group Svenska Cellulosa. According to Mr Smith: "Fifty per cent of the new entity is worth more than 100 per cent of the old."

Hopes for upturn in profits centred on lumber prices

Hopes for a possible upturn in profits next year are centred on higher lumber and newsprint prices. Mr Duncanson estimates that if MacMillan Bloedel follows the Eastern Canadian producers' intention of raising newsprint prices next April, its earnings will move up by 75 cents a share. Each US\$10 rise in lumber prices will, in his figures, raise income by another 24 cents a share.

Despite Mr Smith's caution, several analysts are optimistic that with the bulk of its investment plan completed, MB will make substantial progress towards reducing its debt next year.

These securities having been sold, this announcement appears as a matter of record only.

New Issue

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Financial advisor in the UK to the Guarantor

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£30,000,000

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Guaranteed by

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Issue Price 100 per cent.

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£100,000,000

Kingdom of Sweden

11 per cent. Loan Stock 2012

Issue price £91.976 per cent.

Morgan Grenfell & Co. Limited

Samuel Montagu & Co. Limited

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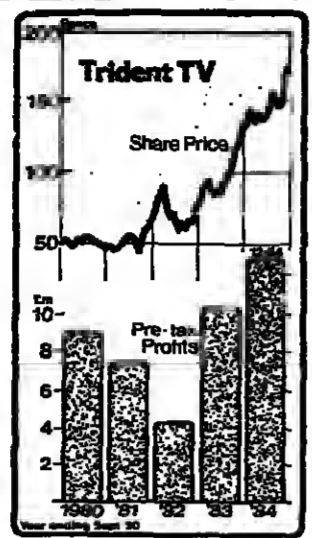
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UK COMPANY NEWS

Trident's £13m in year of further consolidation

Trident Television pushed pre-tax profits up from £10.39m to £12.84m in what the directors describe as "a year of further consolidation".



Mr Gwyn Ward Thomas, chairman of Trident Television

The result has been accompanied by a boost in the dividend. A final payment of 5.8p, against 4p, lifts the total to 7.5p, an increase of 36 per cent over last year's 5.5p.

ordinary credit of £3.91m (debit £314,000), which took account of profit on sale of associates £4.43m, subsidiary disposals £0.58m (loss £0.37m), property sales £1.61m, rationalisation costs £0.9m, related tax £2.83m (credit £0.05m), and release of deferred tax £1.14m.

Mr Dowling, 62, has a reputation as a recovery specialist. He was chief executive of Aberdare Holdings and Charrington Industrial Holdings before Henlys.

Bestobell appoints recovery specialist

Mr John Dowling, who presided over a turnaround at Henlys until the garage group was taken over by a Hawley Group/British Car Auctions associate earlier this year, is to become chief executive in Bestobell, the engineering components group which makes valves, seals and control instruments.

The appointment follows the departure last month of Mr Donald Spencer following boardroom concern over Bestobell's financial performance. The company's profits have been falling partly because of losses on two power station contracts in Australia.

Mr Dowling, 62, has a reputation as a recovery specialist. He was chief executive of Aberdare Holdings and Charrington Industrial Holdings before Henlys.

Lower profits for J. & H. B. Jackson

FOR THE year ending September 30 1984 pre-tax profit of J. & H. B. Jackson fell from £3.55m to £2.67m, due mainly to substantially lower surplus from the sale of listed investments of £84,000 compared with £1.81m last time.

This Coventry-based metal merchant, forger and engineer, is nevertheless increasing the final dividend from 0.95p to 1p net, making 1.75p to the year, against 1.7p.

On turnover ahead at £30.74m (£23.29m) the group's trading profit was little changed at £1.77m against £1.77m. Tax took a lower £756,000 (£851,000), and there were extraordinary debits of £15,000 (£113,000). Net earnings per 5p share were stated as 7.4p compared with 11.1p.

Michael Cassell on a major property group's potential Taking stock in an era of change

THIS WEEK'S better-than-expected results from Stock Conversion and Investment Trust, one of the UK's biggest and most respected property groups, has added another upwards twist to a share price which has barely paused for breath in the past month.

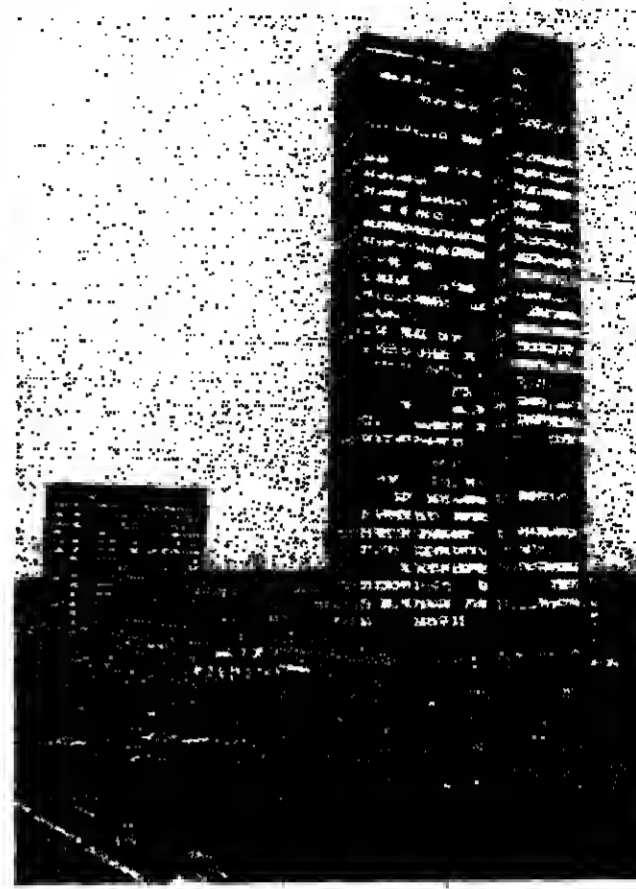
Such excitement is not normally associated with Stock Conversion, universally regarded as one of the most predictable and conservative companies in a sector of the market which has more than its fair share of high-fliers.

lose the services of Mr Hugh Jenkins, the director general of Investments for the Coal Board Pension Funds, who joined the Stock Conversion board only a year ago. He is moving to the U.S. in the New Year to run Heron's U.S. operations.

The most obvious development would be a takeover bid from a company in search of the type of conservatively-financed, high-quality asset base that Stock Conversion has to offer.

In 15 years, the company developed a reputation as a 'blue chip' company like Stock Conversion but the pension funds and insurance companies have not recently shown themselves to be enamoured with the attractions of the property sector.

A highly probable alternative is that, with Mr Clark's influence gone, younger in-house managers will at last be given the opportunity to unlock more of the company's potential.



The Euston Centre on London's Euston Road... one of the group's main property investments

Given the opportunity, there seems little doubt that an independent Stock Conversion could successfully mastermind the next phase of its development and build on the legacy established by its two founding fathers. Any predator with other ideas will certainly be expected to pay a 'high price' to change the company's destiny.

Hollingbery share sale raises £30m

Mr Michael Hollingbery raised £30m gross yesterday when 5.7m Woolworth Holdings shares were placed on his behalf at a price of 569.15p per share.

Substantial increases in Royal London's bonus rates

Royal London Mutual Insurance Society is making substantial increases as from January 1 1985 in its rates of special final bonus applicable to maturity or death claims in respect of both its ordinary branch and industrial branch contracts.

1975 to £890 for entry year 1960. The bonus is also improving the vesting bonus on its old style individual retirement annuity policies, so that pensions vesting in January 1985 will be 5 per cent higher than those vesting this month.

COMPANY NEWS IN BRIEF

Following the offer by Japan Assets Trust for Anglo Scottish Investment Trust becoming wholly unconditional, the directors say that it was a successful year for financial prudence with production including prospectuses for the Botolphs of Enterprise Oil and Reuters.

4.5p, which lifts the total to £2.5p to £2.5p (£2.94p). Earnings are shown at 35.6p (£2.94p).

Losses per 20p share were shown at 5.51p (£5.51p).

Net asset value per 25p share of £1.85 (91.85 per cent) of the stock. The company is intended to exercise its rights to convert comparably the outstanding balance of the stock.

Advertisement for KRUPP POLYSIUS AG, featuring a large logo and text: 'Guarantee and Letter of Credit Facility In respect of Yamama Saudi Cement Co. Ltd., Riyadh. Kingdom of Saudi Arabia. Extension No. IV of the Cement Works at Riyadh with a new production line of 3,000 t/day. Arranged by BANQUE INDOSUEZ MIDLAND BANK INTERNATIONAL MARCARD & CO. TRINKAUS & BURKHARDT. Down Payment and Performance Guarantees DM 143,291,802. Letters of Credit DM 254,740,980. Issuing Bank MIDLAND BANK plc. Confirming Bank BANQUE INDOSUEZ. Paying Bank TRINKAUS & BURKHARDT. Participants in both Guarantees and Confirmation of Credit. Banque Indosuez, Banque Paribas, Crédit Lyonnais, Marcad & Co., Midland Bank plc, Trinkaus & Burkhardt. 1984'

Turnover and profits for the first four months at Smiths Industries were ahead of those for the comparable period of the previous year. Sir Roy Sisson, the chairman, told the annual meeting.

Interim pre-tax profits at Tops Estates virtually doubled from £14.87m to £28.25m. Rental income for the six months to end-September 1984 amounted to £81,297 (£32,382).

A greater than expected number of applications has forced The Guidehouse Group, an issuing house, leasing company and management consultancy, to bring forward the closing date for its offer for subscription.

Chairman Mr E. R. Jaynes regards the half year as satisfactory in view of the continued capital expenditure and increased marketing activity. Tool distributor Griffin Manufacturing showed a good profit increase, but the pre-wor operation (J. T. Parkes & Sons) went into decline because of a reduction in inter-company trading.

Table titled 'DIVIDENDS ANNOUNCED' with columns for Company, Current payment, Date, Correc, Total, Total. Includes entries for British Land, Brown and Tawell, Equity and Law Life Int, F and C Alliance, Hawtin, Irish Ropes, J and H B Jackson, Reed Executive, Trident TV, Watson and Phillip, Western Selection, Widney.

Table titled 'LADBROKE INDEX' with columns for Based on FT Index, 936-840 (+3), Tel: 91-427 4411.

Table titled 'EQUITABLE UNITS' with columns for Unit Price, Bid, Offer, Dividend. Includes entries for Far Eastern, Gilt & Fed Int, High Income, etc.

Table titled 'Over-the-Counter Market' with columns for 1983-84, High, Low, Company, Price Change, Gross Yield, Fully Paid. Includes entries for 142 120, 148 117, 158 132, etc.

UK COMPANY NEWS

Mixed results at Watson & Philip

A FALL in the cash and carry results was more than offset by increases on the delivered grocery and catering sections of Watson & Philip, Dundee-based food group during the year ended October 26 1984. Trading profits advanced from £747,000 to £975,000 for the period and were boosted by much higher dividends from unlisted investments to make £1.61m at the pre-tax level, compared with £821,000.

The directors look forward "with growing confidence" to the current year. They say there should be continuing profit gains as a result of various actions taken during the last 12 months.

The directors point out that the amount of vacant property left under the company's control, following rationalisation, is likely to cause concern. These costs, they state, will have an increasing impact on 1985-86 although they should only slow, but not prevent, the growth of the company.

Group turnover rose by £14.8m to £28.39m and after cost of sales, gross profits emerged at £8.16m, against £6.71m.

Earnings per 10p share more than doubled from 1.3p to 17p and a final distribution of 2.5p (3p) net lifts the dividend to 5p (4.25p).

A divisional breakdown of both turnover and trading profits shows: cash and carry £45.8m (£240,000); delivered grocery £19.91m (£12.2m) and £256,000 (£55,000); retail £3.1m (£807,000) and £57,000 (£5,000); catering £18.96m (£17.58m) and £457,000 (£264,000); manufacturing £487,000 (£477,000) and £11,000 loss (£27,000 loss); imports £9.8m (£7,03m) and £45,000 (£96,000). Other net income was £58,000 (£59,000), while interest took £53,000 (£55,000 added).

Net profits amounted to £1.61m (£821,000) after deducting tax of £503,000 (£217,000) and adding in an exceptional tax credit of £315,000.

The directors say the year was of considerable movement in the cash and carry activity in Scotland. The increased competition, which began in mid-1983, intensified and led to some degree of rationalisation and change, particularly in the Glasgow area.

In line with the group's development programme the upgrading of the Kirkcaldy and Dundee depots was completed. The directors say that apart from the Rutherglen closure, the impact of the upgrading and the Glasgow reorganisation came too late to have any beneficial effect on the 1983-84 performance.

They are, however, confident that the changes made will have an immediate impact on the current year and they expect to see a material improvement in this division's fortunes.

The absorption of the Mellis business, acquired at the end of 1983, has now been completed and the result is shown from the improved profit of the delivered grocery section, directors state.

In the retail sector the nine wholly-owned Spar shops, acquired in the Mellis transaction, have made a worthwhile contribution to group profits, while the continued growth in the catering division's profits continues the trend of the last two years, the directors state.

Some reduction in the market for the supply of commodities to oil-related operations has resulted in excessive pressure on selling prices.

Acquisitions lift Brown and Tawse

Brown & Tawse saw its first half profit surge by some £1m at the pre-tax level and looks for a "favourable" full year as the benefits of expansion are realised.

The interim dividend is being stepped up from 1.2p to 2p net, partly to reduce disparity between the two payments.

Boosted by a £501,000 contribution from new acquisitions' profits for the opening six months to September 30 1984 increased from £1.54m to £2.54m, the balance was made up to £1.79m (£1.34m) from existing businesses and £155,000 (£200,000) from plant sales.

The directors are continuing their acquisition policy and reveal that Morris Warden, a Glasgow-based specialist valve distributor, and George W. Mannell (London), a distributor of general steels, based in London and Hull, have been purchased for cash.

Mancell has net assets of approximately £500,000 and will

expand Brown & Tawse's distribution business in the south-east and Humberside areas.

Morris Warden has net assets of some £150,000 and the acquisition will continue Brown & Tawse's expansion into specialist valve distribution.

Combined turnover of these two businesses in their last audited financial years was £2.6m. Pre-tax profits for the opening six months were struck after deducting interest costs of £387,000 (adding £72,000).

Tax accounted for £1.14m (£514,000 adjusted) and amortisation of revaluation reserve

amounted to £40,000 (£42,000). Earnings came through 1.8p higher at 6.7p per 25p share.

Group pre-tax profits for the 1983-84 year slipped from £3.55m to £3.25m. In his report Mr S. D. Rae, the chairman, said prospects for this year were very encouraging. Prices of many pipeline and steel products had already risen and further increases were expected.

Shareholders were told that sales in the first quarter, excluding the effect of acquisitions, showed a healthy increase and acquisitions would "greatly enhance" the full year results.

Reed Executive to maintain 47% growth

WITH A 48.8 per cent improvement in taxable profits at the halfway stage, the directors of Reed Executive anticipate that this rate will be maintained for the remainder of the current financial year.

The result for the 26 weeks to September 29, 1984, was £903,000 against £615,000, with most of the increase coming in the employment and travel agents sector. The operating surplus here was £892,000 against £694,000. Self-service drug stores also showed a significant rate of growth, up from £8,000 to £76,000.

The directors comment that they find themselves in two diverse areas of commercial activity, both of which are enjoying continued growth. Group turnover moved ahead from £15.36m to £23.53m.

With regard to the drug stores, the company now has a branch network of 25 units, having closed one, doubled the sales area of another and opened nine new stores.

The directors have declared an interim dividend of 1p net per 10p share, with earnings per share for the period stated at 6p (5.9p). There was a total payout last time of 1.6p for a 15-month accounting period, when profits reached £1.31m on turnover of £45.37m.

The taxable figure this time was struck after interest charges £23,000 lower at £25,000, and was subject to tax at £270,000. There was no tax charge in the comparable period last time.

In line with growing practice, the directors decided to invite tenders for the appointment of the group's auditors. Coopers and Lybrand have resigned and Deardon Farrow have been appointed in their place.

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 17th December 1984, and has issued in the Bank additional amounts as indicated of each of the Stocks listed below:

£250 m 2 1/2 per cent EXCHEQUER STOCK, 1987
£150 m 2 1/2 per cent INDEX-LINKED TREASURY STOCK, 2001
£100 m 2 1/2 per cent INDEX-LINKED TREASURY STOCK, 2011

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 17th December 1984 as certified by the Government Broker.

In each case, the amount issued on 17th December 1984 represents a further tranche of the relevant Stock, ranking in all respects pari passu with that Stock and subject to the terms and conditions of its prospectus, save as to the particulars therein which related solely to the initial sale of the Stock. Copies of the prospectuses for 2 1/2 per cent Exchequer Stock, 1987 and 2 1/2 per cent Index-Linked Treasury Stock, 2001 dated 30th December 1982 and 20th August 1982 respectively, and of the prospectus for 2 1/2 per cent Index-Linked Treasury Stock, 2011 dated 22nd January 1982 (as amended by the supplement to the prospectus dated 9th March 1982), may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA.

Application has been made to the Council of The Stock Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable, and interest is payable half-yearly, on the dates shown below (in the case of 2 1/2 per cent Index-Linked Treasury Stock, 2001 and 2 1/2 per cent Index-Linked Treasury Stock, 2011, provision is made in the prospectuses for stockholders to be offered the right of early redemption under certain circumstances):

| Stock | Redemption date | Interest payment dates |
|--------------------------------------------------|---------------------|-----------------------------------------|
| 2 1/2 per cent Exchequer Stock, 1987 | 24th February 1987 | 24th February 1987 |
| 2 1/2 per cent Index-Linked Treasury Stock, 2001 | 24th September 2001 | 24th August, 24th March, 24th September |
| 2 1/2 per cent Index-Linked Treasury Stock, 2011 | 23rd August 2011 | 23rd February, 23rd August |

2 1/2 per cent Exchequer Stock, 1987 is repayable at par.

Both the principal of and the interest on 2 1/2 per cent Index-Linked Treasury Stock, 2001 and 2 1/2 per cent Index-Linked Treasury Stock, 2011 are indexed to the General Index of Retail Prices. The index figure relevant to any month is that published seven months previously and relating to the month before the month of publication. The index figure relevant to the month of issue of 2 1/2 per cent Index-Linked Treasury Stock, 2001 is that relating to December 1981 (808.5); the equivalent index figure for 2 1/2 per cent Index-Linked Treasury Stock, 2011 is that relating to May 1981 (294.1). These index figures will be used for the purposes of calculating payments of principal and interest due in respect of the relevant further tranches of Stock.

The relevant Index figures for the half-yearly interest payments on 2 1/2 per cent Index-Linked Treasury Stock, 2001 and 2 1/2 per cent Index-Linked Treasury Stock, 2011 are as follows:

| Relevant index figure | Published in | Relating to |
|-----------------------|-----------------------------|-------------|
| March | August of the previous year | July |
| September | February of the same year | January |
| February | July of the previous year | June |
| August | January of the same year | December |

Each further tranche of stock issued on 17th December 1984 will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock.

BANK OF ENGLAND
 LONDON
 17th December 1984

Western Selection improves

INCREASED pre-tax profits of £516,000 against £405,000 are reported by Western Selection for the year to the end of September 1984. Turnover moved ahead from £5.66m to £8.88m.

The final dividend is raised from 1.5p to 1.7p, which lifts the total from 2.5p to 2.7p. Earnings per 20p share are shown at 3.45p (2.25p).

The directors are confident that the group will participate in the growth of the telecommunications industry through its major subsidiary Durabute & Wire. The results for 1983-84 will depend on the successful completion of an expansion programme and trends on the Stock Exchange. They look forward to another year of "satisfactory results."

Durabute & Wire increased sales by 21 per cent and net profit by 55 per cent. Sales of direct exports increased to £1.42m (£1.38m) and, at the year-end, outstanding orders were the highest level in the company's history.

Having acquired, in May, an additional freehold factory adjacent to the main works at Feltham, near Heathrow, the capital investment programme has progressed on time and the new plant is expected to start production next spring. The new manufacturing complex will concentrate on the production of a range of external cables which the company was not previously equipped to manufacture, and a broader range of high technology cables which will meet the growing demand at home and, in particular, overseas.

During the year investment dealing profits increased by 27 per cent to £181,066. The value of the investments, held in the portfolio as current assets, was £208,046 above cost, at September 30 compared with £161,588 last year.

Pre-tax profits broke down as follows: Durabute & Wire £330,000 (£212,000); parent company £224,000 (£152,000); and adjustment to provision on investments £62,000 (£41,000).

Tax took £270,000 (£178,000) leaving net profit ahead from £227,000 to £348,000. There was an extraordinary provision for deferred tax this time of £285,000. Dividends will absorb £285,000 (£245,000).

Process Systems allocation

For the offer for sale of 16m shares of Process Systems Inc, at 62p per share, approximately 42,000 applications were received for a total of some 216m shares. Of the shares offered 1.55m will be allocated to existing shareholders in the company, who were provided with preferential application rights.

The balance will be allocated on the following basis:

Between 100 and 500 shares—ballot for 100 shares; between 600 and 1,000 shares—ballot for 200 shares; between 1,500 and 5,000 shares—ballot for 350 shares; between 6,000 and 10,000 shares—ballot for 700 shares; for 15,000 shares and above—approximately 7.4 per cent of amount applied for.

It is expected that letters of acceptance will be posted today and that dealings will commence tomorrow.

Great Western Resources, which is listed in London, rose from 775,000 to 812,700 in the year ended September 30, 1984, equivalent to £103,000.

Revenues came to £14.2m (£85,000) or £1.15m. After tax £28,000 (£14,000) earnings are shown at \$0.01 (nil).

Davenport's

Following a lower surplus on property disposal at Davenport's Brewery (Holdings), pre-tax profits fell from £2.76m to £2.43m for the year to the end of September 1984. The property surplus fell from £631,000 to £73,000.

Turnover amounted to £35.49m (£34.01m).

The final dividend has been lifted from 5p to 5.4p, which raises the total from 6.3p to 9p.

Irish Ropes

Irish Ropes raised pre-tax profits from £239,000 to £326,000 during the 12 months to end-September 1984 on turnover ahead at £27.42m against £25.04m.

The company manufactures ropes, twines, carpets, wire, plastic products, and is also engaged in spinning and weaving and hard fibre dyes. The single final dividend is being raised from 1.75p to 2.1p.

Further developments of products and markets are planned for the current year. While the directors are hopeful of a better outcome for 1984/85, they warn that trading conditions will remain difficult.

Oeconics makes up some leeway

WITH PROFITS at £2.78m before tax and turnover at £54.65m, Mr R. F. Aird, chairman of Econics Group, considers that the results for the half year to September 30 1984 are evidence of the underlying strengths of this technology services and advanced systems concern.

The comparable figures are £2.37m and £18.97m restated to include the results of MPE & Associates and its subsidiaries, and Laser Engineering (Development), acquired last March.

The chairman adds that, as the group is now less vulnerable to seasonal patterns in the offshore industry, which have in the past depressed second-half figures, the prospects for the full year are encouraging. The last full period saw a decline of £2.78m to £2.35m.

The group has started the second half well. In technology services a "useful recovery" from the second half last time can be expected if the improved trading conditions continue to April. In the period under

review, turnover reached £24.57m (£15.10m) generating operating profits at £2.78m (£2.35m).

The outlook for the advanced systems division is "very positive," particularly in defence systems. At midway turnover was £10.15m (£3.70m) and the operating result £580,000 (£286,000).

The taxable figure was struck after lower income from related companies at £34,000 (£71,000) and net interest payable at £516,000 (£298,000).

After tax of £400,000 against £531,000, minority deduction £187,000 (£48,000), and £181,000 (£13,000) preference dividends, earnings are stated at 6.0p per share (6.1p). There is, as usual, no ordinary interim dividend.

Attributable profits came out at £2.19m against £1.79m and the retained balance was up from £1.78m to £2.05m.

Commenting in detail on the performance of the technology services division, Mr Aird says there was some improvement in

Commercial Union bonus

Commercial Union is maintaining the compound bonus rate on its ordinary with profits policy at 25 per cent, and the additional "bonus-on-bonus" rate is being held at 2 per cent.

In addition, Commercial has increased its terminal bonus from 10 per cent to 17.5 per cent of the total sum assured and bonuses for death claims and maturities from January 1 1985.

On self-employed and executive pension plans the 27 per cent compound bonus rate is unchanged and the additional "bonus-on-bonus" remains at the interim rate of 2 per cent (1983) declared rate £2.5 per cent). For these policies there has been an even greater increase in the terminal bonus from 7.5 per cent to 17.5 per cent of the

Butterfield Harvey cuts losses

Butterfield Harvey reports sharply lower interim taxable losses of £126,000, against £393,000, and the directors say that the year's outcome should show a return to profit.

Excluding a £780,000 trading loss attributable to Shelvocke Dempster (municipal and special purposes) vehicles, other businesses made a profit of £1.11m, against £670,000, in the six months to September 29 1984.

Harcoslar, C. A. Harvey Office Furniture, South Western Marine Factors and Milshaw all returned higher contributions.

Group turnover amounted to £22.25m (£22.61m). Taxable profits were struck after interest of £372,000 (£351,000). There was no tax (£2,000).

Despite the expected upturn, there will again be no dividends for 1984. Tax will remain in reserves will still show a deficiency, say the directors.

Commercial Union bonus Yearling rate up

The interest rate for this week's issue of local authority bonds is 10 1/2 per cent, up one-sixteenth of a percentage point from last week, and compares with 9 1/2 per cent a year ago. The bonds are issued at par and are redeemable on January 2 1986.

A full list of issues will be published in tomorrow's edition.

R. H. Morley

R. H. Morley Group increased pre-tax profits from £81,000 to £72,000 for the half year to September 30 1984, although the directors say that turnover, at £1.61m, compared with £1.69m, was disappointing.

At the year end in March, Mr H. N. Khan, the chairman of this polythene film and bag manufacturing group, stated that the company's activities were at full stretch and it was unable to meet demand until the introduction of new and improved extrusion machinery. However, the metalworkers' strike in West Germany resulted in a delay over the installation of this plant is now fully operational and has shown a marked improvement in the level of production and the cost of production over the corresponding November-December period of 1983.

Stated net earnings per 10p share of this USM-quoted company were shown up at 2.67p (2.44p).

Tax took £24,000 (nil). There is again no interim dividend.

Widney dividend

The result was up from £128,917 to £148,221, and the directors say that current trading conditions remain buoyant. They anticipate another year of progress.

Turnover moved ahead from £4.91m to £5.18m, and there was a net extraordinary loss of £15,000 (£124,389).

With earnings per share up from a stated 1.50 to 2.3p, the directors restated their intention to pay arrears on preference shares on December 31 next.

This announcement appears as a matter of record only
 DECEMBER 1984

DBS BANK
 THE DEVELOPMENT BANK OF SINGAPORE LTD
 (Incorporated in the Republic of Singapore)

Rights Issue of 58,023,868 New Shares of S\$1.00 each at a price of S\$4.00 per share

Managed By: DAWA SINGAPORE LIMITED
 GENERAL SECURITIES INVESTMENTS LIMITED

Underwritten By: DAWA SINGAPORE LIMITED
 OVERSEA-CHINESE BANKING CORPORATION LIMITED
 POST OFFICE SAVINGS BANK OF SINGAPORE
 GENERAL SECURITIES INVESTMENTS LIMITED
 OVERSEA UNION BANK LIMITED
 UNITED OVERSEA BANK LIMITED

| | |
|-----------------------------------------------------|------------------------------------------------------|
| Industrial & Commercial Bank Limited | Standard Chartered Merchant Bank Asia Limited |
| Tai Lee Bank Limited | Wardley Limited |
| Arab-Malayian Merchant Bank Berhad | Arbuthnot Latham Asia Limited |
| Asia-American Merchant Bank Limited | Banque Internationale A Luxembourg SA (Asia) Limited |
| Banque Nationale de Paris (South East Asia) Limited | Beving Brothers Asia Limited |
| Commerzbank (South East Asia) Ltd. | Dresdner (South East Asia) Limited |
| Four Seas Communications Bank Limited | Samuel Monte & Co. Limited |
| Morgan Grenfell (Asia) Limited | Morgan Guaranty Pacific Limited |
| Singapore International Merchant Bankers Limited | Singapore-Japan Merchant Bank Limited |
| Singapore Nomura Merchant Banking Limited | Associated Asian Securities (Pte) Ltd. |
| J. Ballias & Co. Pte. Ltd. | City Securities Pte. |
| Fraser & Co (Pte) | G K Goh Securities (Pte.) |
| Kay Hian & Co. (Pte) | Ken Eng Securities (Pte.) Ltd. |
| K.M. Lim & Associates Pte | Lin Securities (Pte.) |
| Lyall & Ernst (Pte) | Ong & Company Private Limited |
| J. M. Sasseon & Co. (Pte.) Ltd. | Su E-Min & Co. (Stockbrokers) Pte. |
| Tsang & Ong Stockbrokers (Pte) Ltd. | |

another record year with the Woolwich

HOME LOANS UP 38% TO £1,440m

ASSETS UP 26% TO £5,722m

NET SAVINGS UP 48% TO £747m

2,500,000 Investors now with the Woolwich

The Woolwich has continued to respond to the challenges of a rapidly changing market place throughout the past year. We have maintained our position in the forefront of the building society industry, and achieved record volumes of business in all the main areas of our operations.

The very high level of demand for mortgage loans resulted in high and varying interest rates in the market place, and a proliferation of different types of accounts on offer to investors. We believe there is an urgent need for order to be restored and, by aiming for a simplified range of investment accounts and maintaining our flat-rate mortgage pricing policy, we feel the Woolwich is making a major contribution to the future stability and success of the industry.

Looking ahead, new legislation and increasing competition will open up new markets and areas of activity for us, particularly in the provision of a wider range of financial services. The Woolwich sees its primary role as being in the field of housing and home-related services generally, and we will attempt to provide the enhanced and new services our customers require within this context. We hold the firm belief that simplicity is the key to the Society's continued success, and to its ability to meet the challenges of the years ahead.

Extracted from the Statement made by the Chairman, Mr. Alan M. Linnick, C.B., to the 137th Annual General Meeting of the Woolwich Equitable Building Society held on 15th December 1984.

Copies of the Annual Report and the full text of the Chairman's Address are available from the Secretary, Equitable House, London SE18 6AB.

WOOLWICH
 EQUITABLE BUILDING SOCIETY

If you're really with it - you're with the Woolwich

Security Centres 'talks on the future' as chief quits

BY RAY MAUGHAN

Security Centres Holdings will be seeking its third chairman in two and a half years following the resignation yesterday of Mr Brian O'Connor from the board of the burglar and fire alarm group.

Mr O'Connor succeeded Mr Stewart Jamieson in the summer of 1982 but last week Mr O'Connor announced his resignation from the board of Aitken Hume, the financial services group which advises Security Centres. He also left the board of Leisuretime, the quoted hotels and travel group which is connected with Aitken Hume.

No reason was given for the chairman's departure from Security Centres but the group said that it would be giving "high priority to the creation of a new management structure." Mr Tom Forrest will be staying on in his current position as managing director but the appointment of a new chairman is "under active consideration."

Other steps to be taken include "new measures to strengthen the finances of Security Centres and discussions on the future of the group will take place immediately with leading institutional shareholders. The largest outside share-

Ladbroke buys Comfort stake from Intasun

The directors of Intasun Leisure Group have announced that in view of the recommended £71m offer from Ladbroke Group for Comfort Hotels, it intends to lapse its offer for Comfort.

A subsidiary of Morgan Grenfell, acting in concert with Ladbroke, has acquired 9.34m ordinary Comfort shares, representing 14.95 per cent from Intasun, at 85p per share.

Mr Cyril Stein, chairman of Ladbroke, said that the purchase of the shares puts Ladbroke in a "very strong position indeed both from the point of view of achieving an overwhelming acceptance following the posting of our offer document this week, and also because any possible predator will obviously be dissuaded by our having committed to us such a large part of the equity."

Auto Security rights
Of the 14,781,907 new preference shares offered by way of rights by Auto Security (Holdings), 13,852,511 shares (93.71 per cent of the total) have been taken up and the remainder sold at a premium.

HAWLEY GROUP LIMITED

(Incorporated with limited liability under the laws of Bermuda)

| Share Capital | | Issued |
|------------------|--------------------------------------|------------------|
| Authorised | US \$ | US \$ |
| 2,666,000 | in Common Shares of US \$0.01 each | 1,941,733 |
| 13,000 | in Deferred Shares of US \$0.01 each | 12,000 |
| 2,700,000 | | 1,953,733 |

Pursuant to Schemes of Arrangement under Section 206 of the Companies Act, 1948 of Great Britain and Section 99 of the Companies Act 1981 of Bermuda, respectively, Hawley Group Limited ("the Company") has become the parent company of Hawley Group PLC and Electro-Protective Limited.

Application has been made to the Council of The Stock Exchange for the Common Shares of the Company to be admitted to the Official List. Particulars relating to the Company are available in the External Statistical Services. Copies of the statistical card may be obtained during normal business hours on weekdays (excluding Saturdays and public holidays) up to and including 4th January, 1985, from:

Barclays Merchant Bank Limited,
15/16 Gracechurch Street,
London EC3V 0BA.

L. Messel & Co.,
P.O. Box 631,
1 Finsbury Avenue,
London EC2M 3QE.

Capal-Cure Myers,
Bath House,
Finsbury Vantage,
London EC2A 2EU.

19th December, 1984

FRAMLINGTON GROUP plc

(Incorporated in England under the Companies Act 1948 to 1967 No. 1237167)

| SHARE CAPITAL | | Issued and fully paid |
|-----------------------------|----------|-----------------------|
| Authorised | £625,000 | £500,000 |
| Ordinary shares of 25p each | | |

Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Framlington Group plc to be admitted to the Official List.

The Ordinary Shares of the Company have been traded on the Unlisted Securities Market (USM) since May 1983.

Particulars relating to the Company are available in the External Statistical Services and copies of such particulars are available during normal business hours on any weekday (excluding Bank Holidays) up to and including 14th January 1985 from:

Lawrence, Prust & Co.
Basildon House, 7/11 Moorgate,
London EC2R 6AH.

Grovebell adds 7.5p to Atlanta offer

By Alexander Nicol

Mr Vasant Advani's Grovebell Group yesterday added 7.5p per share to its equity and cash offers for Atlanta Investment Trust, which made no immediate response.

Mr Advani, chairman of the vehicle distribution and financial services group, said the bid was "increased" in deference to Atlanta's share price. We want to finish the whole thing off before Christmas."

Full listing for Framlington

Framlington, the unit trust and financial management group which joined the Unlisted Securities Market in May 1983, has applied for a full listing on the Stock Exchange.

Samuel Props £7m purchase

Samuel Properties is paying £7m to acquire the freehold interests of three office blocks.

CEI £1.6m acquisition

Cambridge Electronic Industries has conditionally agreed to acquire Analytical Accessories for £1.6m in shares.

Fergabrook to buy Clifford

The directors of Fergabrook Group, distributor of toys, inflatable goods, toiletries and leisure goods, have entered into a conditional agreement to acquire Clifford Enterprises.

Aeronautical and General accepts £13m Swiss bid

BY RAY MAUGHAN

THE BOARD of Aeronautical and General Instruments (AGI) yesterday accepted a £13m cash bid from Landis and Gyr, a Swiss group which like AGI is engaged in telecommunications equipment manufacture.

Marshall's Universal may sell E. Africa businesses

Marshall's Universal, the vehicle distributor and paper merchant, which earlier this year fought off a £5.5m takeover bid from Grovebell, a motor trade finance group, may sell its East African interests.

Glass Glover expands interests in Scotland

Glass Glover Group, food distributor and fresh fruit and vegetable importer, is acquiring for £3.1m Rankins Fruit Markets.

BIDS AND DEALS

Southend Stadium has conditionally agreed to purchase a building and 153-161 The Broadway, Wimbledon, an office and retail investment, for a combined total of £3.8m.

British Electronic Traction Company's transport subsidiary, United Transport International, has acquired a 30 per cent share in Citybus, a small bus company in Hong Kong.

Whitbread has acquired the 45 per cent of shares in Highland Distillers Corp, of California, for US\$7.8m (£8.5m).

Broken Hill Proprietary (BHP) is extending its US\$5.10 (£511) per share bid for Energy Reserves Group (ERG) from December 14 to December 21.

British Electronic Traction Company's transport subsidiary, United Transport International, has acquired a 30 per cent share in Citybus, a small bus company in Hong Kong.

The bid has been made through the UK arm of Landis & Gyr AG, a multinational which turns over the equivalent of more than £400m annually. It describes itself as "the world's leading producer of electricity meters" and also produces a range of sophisticated environmental control and energy management systems, together with products used in advanced areas of telecommunications.

AGI is best known for its blue telephones, supplied to British Telecom, which it makes under a licence from Auteca, a subsidiary of another Swiss company, the Hasler telecommunications group.

Landis & Gyr also produces the holographic pay phone card operated system which is being installed by British Telecom. It believes that merger of complementary telecommunications businesses should provide a significant commercial advantage, with particular emphasis on the expansion of research and development and further expansion in world markets.

Rankins was established in 1929 and currently trades as importer, wholesaler, and retailer of fruit, vegetables, flowers and florist's sundries in the Edinburgh area, in its own name, as Andrew S. Clark & Co, and as Central Flower Market.

Whitbread has acquired the 45 per cent of shares in Highland Distillers Corp, of California, for US\$7.8m (£8.5m).

United Transport International, has acquired a 30 per cent share in Citybus, a small bus company in Hong Kong.

Energy Reserves Group (ERG) from December 14 to December 21. So far some 89 per cent of the ERG shares have been acquired.

BHP has also formed into the Donnybrook gold joint venture in Western Australia where it can earn up to a 51 per cent interest.

Royex sets terms for a merger with Pezamerica

BY KENNETH MARSTON, MINING EDITOR

Royex Gold Mining and Pezamerica Resources, two Canadian groups already associated, are planning to merge with Royex becoming the surviving company.

Pezamerica says that prior to the "combination" each of its shareholders would receive a warrant to purchase from the company's portfolio one share of International Corona Resources for every four Pezamerica shares held.

The purchase price for International Corona shares would be C\$1.44 (44¢) and the warrants would have a life of five years.

Other interests of Royex take in assorted gold exploration projects and developing mines in North America. They include the Cullinan Lake mine, 50 per cent of Renshaw Gold Mines, 32 per cent of Goldmoor Mines and 62 per cent of Mascof Mines.

Campbell Resources currently owns 45 per cent of Royex and the issue of additional Royex shares as a result of the merger would reduce this stake to approximately 30 per cent.

Meanwhile, Pezamerica and Royex together own 65 per cent of International Corona. The latter has a 45 per cent carried interest in its good grade Mendon camp gold property which Teck Corporation, with the remaining 55 per cent, aims to bring to production by mid-1986.

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Meanwhile, Pezamerica and Royex together own 65 per cent of International Corona. The latter has a 45 per cent carried interest in its good grade Mendon camp gold property which Teck Corporation, with the remaining 55 per cent, aims to bring to production by mid-1986.

Samantha makes further attempt for Temora stake

THE Samantha-Samson partnership is making another attempt to purchase a 25 per cent stake in the promising Temora gold deposit near Wagga Wagga in New South Wales, Australia.

At present 75 per cent is held by the BHP-Samson group. An earlier move by Samantha-Samson to acquire the remaining 25 per cent from a private Australian group was opposed by BHP, which indicated that it would exercise its pre-emptive right to buy the outstanding interest in the property.

Since then Samantha-Samson has entered into an option agreement with the vendor which they now intend to exercise. This will be funded by an issue of \$31.8m (£201,000) of Samantha shares to the asso-

ciated Barrack Mines while a further A\$1.51m will be borrowed from a major European bank.

BHP has already declared its intention to acquire the debts and non-gold assets of the 75 per cent-owned Selhurst Holdings. Public shareholders have been offered the choice of a share and option package in a new company to hold the gold interests including Temora - or \$4 cents (4¢) per Selhurst share in cash.

The scheme has yet to be approved but, in the meantime, Selhurst shares are standing at around 44p in London and a sizeable block of them is rumoured to have changed hands recently.

Denmark's major group of power plants has decided to phase out its South African coal imports by 1990 under domestic parliamentary pressure. The plant group, which takes about two-thirds of Denmark's annual 3m tonnes import of South African coal, said the switch to other suppliers would eventually increase the electricity bill of the average household consumer by Kr250 to Kr300 (£24.0: £30.0) a year.

West Midlands County Council has reduced its holding in Asset Special Situations Trust by 100,000 ordinary to 890,000 (about 8.5 per cent).

The Metaltrax Group is buying G. S. Smart Co, a Birmingham-based manufacturer of metal occasion furniture, garden chairs and tables for sale to mail-order houses, for £985,400 in cash and shares.


Plantation and General Investment has purchased a further 458,538 ordinary shares and 50 far some 89 per cent of the ERG shares have been acquired.

BHP has also formed into the Donnybrook gold joint venture in Western Australia where it can earn up to a 51 per cent interest.

Energy Reserves Group (ERG) from December 14 to December 21. So far some 89 per cent of the ERG shares have been acquired.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE



ALLIED CORPORATION
(Incorporated with limited liability in the State of New York, U.S.A.)

Japanese Yen 10,000,000,000
6% Bonds Due December 1, 1991

Issue price 100 per cent.

| | |
|------------------------------------------------|----------------------------------------------|
| Nomura International Limited | |
| Credit Suisse First Boston Limited | Salomon Brothers International Limited |
| Algemene Bank Nederland N.V. | Bank of Tokyo International Limited |
| Banque Bruxelles Lambert S.A. | Daiwa Europe Limited |
| Deutsche Bank Aktiengesellschaft | Dresdner Bank Aktiengesellschaft |
| IBJ International Limited | LTCB International Limited |
| Morgan Guaranty Ltd | The Nikko Securities Co., (Europe) Ltd. |
| Orion Royal Bank Limited | Société Générale |
| Sumitomo Finance International | Swiss Bank Corporation International Limited |
| Union Bank of Switzerland (Securities) Limited | Yamaichi International (Europe) Limited |

18th December, 1984.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices, organized into columns for various sectors and individual stocks. Includes headers for '12 Month High', 'Low', 'Open', 'Close', 'Change', and 'Stock'.

Continued on Page 23

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Main table of American Stock Exchange Composite Closing Prices, organized into columns by stock category (e.g., A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z).

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York Stock Exchange Composite Closing Prices, organized into columns by stock category (e.g., A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z).

Continued on Page 24

Disclaimer text: "Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the highest dividend in history..."

WORLD STOCK MARKETS

AUSTRIA table with columns: Dec. 18, Price, +/-, Stock names like Creditanstalt, Gessner, Interbank.

BELGIUM/LUXEMBOURG table with columns: Dec. 18, Price, +/-, Stock names like B.S.L., Belg. Int'l., Bockart B.

DENMARK table with columns: Dec. 18, Price, +/-, Stock names like Andelsbanken, B.S.L. Bland.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

GERMANY table with columns: Dec. 18, Price, +/-, Stock names like AEG Tiefel, Allianz, BASF.

ITALY table with columns: Dec. 18, Price, +/-, Stock names like Banca Com. It., Bastogi, Borsari.

SPAIN table with columns: Dec. 18, Price, +/-, Stock names like Ochoa Baloob, Alianza, Ochoa.

SWITZERLAND table with columns: Dec. 18, Price, +/-, Stock names like Aluzek, Bank Leu, BNP.

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

NORWAY table with columns: Dec. 18, Price, +/-, Stock names like Bergen Bank, Christiania Bank, Den Norske Gres.

SPAIN table with columns: Dec. 18, Price, +/-, Stock names like Ochoa Baloob, Alianza, Ochoa.

SWEDEN table with columns: Dec. 18, Price, +/-, Stock names like ASEA, Alfa, Alfa (Free).

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

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FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

AUSTRALIA (continued) table with columns: Dec. 18, Price, +/-, Stock names like Gen Prop Trust, Harjo James, Harjo Energy.

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

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NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

JAPAN (continued) table with columns: Dec. 18, Price, +/-, Stock names like MHI, Nippon Do, Nippon Electric.

NETHERLANDS table with columns: Dec. 18, Price, +/-, Stock names like AEG Holding, AEGON, AKZO.

FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

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FRANCE table with columns: Dec. 18, Price, +/-, Stock names like Emprunt 4 1/2, Av. Lorraine, BNP.

LONDON Chief price changes table with columns: Stock, Price, +/-, Stock names like Assoc Brit Ports, Brown (AJ).

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AMERICAN STOCK EXCHANGE CLOSING PRICES

Large table of American stock exchange closing prices with columns: 12 Month, High, Low, Stock, Price, +/-, Class, Div.

NEW YORK CLOSING PRICES

Table of New York closing prices with columns: 12 Month, High, Low, Stock, Price, +/-, Class, Div.

Get your News early in Hamburg. Eine Zeitung erst mittags geliefert, hat für Sie nur den halben Wert.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table of over-the-counter stock prices including columns for Stock, Sales (Units), High, Low, Last, and Day. Includes sub-sections like 'Continued from Page 24' and 'New York Active Stocks'.

Main table of world stock market data with columns for Stock, Sales (Units), High, Low, Last, and Day. Lists various international stocks and their performance.

Table of indices and market data, including sections for 'NEW YORK DOW JONES', 'INDICES', and 'NEW YORK DOW JONES' with columns for Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, High, Low, and 1984.

NORWEGIAN CARIBBEAN LINES A/S advertisement featuring the NCL logo, USD 280,000,000, and text about medium term facility for the refinancing of the NCL fleet and the acquisition of the Royal Viking Line fleet. Managed and provided by Den norske Creditbank.

RAF Benevolent Fund advertisement with the headline 'The RAF Benevolent Fund repays the debt we owe'. Includes an eagle logo and text about the fund's history and purpose.

1st American advertisement with the headline 'Not all American banks are created equal.' Includes a grid of bank building images and text describing the bank's services and branches.

Table of New York Active Stocks with columns for Stock, 3.00% on Buy, Change, and 1984. Lists various active stocks and their performance.

Table of indices and market data, including sections for 'NEW YORK DOW JONES', 'INDICES', and 'NEW YORK DOW JONES' with columns for Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, High, Low, and 1984.

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APPOINTMENTS

Reorganisation at Raybeck

RAYBECK has made the following board changes: Mr Ben Eves, in addition to his functions as chairman, is now group managing director and Mr Alfred Simms is now responsible for the group's manufacturing division. Mr Leonard Druckman, who was recently appointed chief executive of the ladies retail division, has joined the board. Mr Ian Murrell, who for the past six years has been finance director of Harris Queensway, has joined the board as director with special responsibility for finance.

Management changes have been made by BRITISH CALEDONIAN AIRWAYS following the civil aviation review and the decision to transfer Saudi Arabian routes to the airline. Mr Ron Cook, former general manager eastern and European routes, has become general manager eastern routes, with responsibility for routes to Saudi Arabia, the Gulf and Hong Kong. He also assumes control of all overseas operations with online and offline markets in the Middle East, Indian subcontinent, Far East and Australasia. Mr Richard Havers, general manager domestic, becomes general manager European routes and takes over responsibility for all European routes, and controls overseas operations with online and offline markets in Europe. He continues to retain responsibility for domestic and commuter routes.

Mr Andrew Meyrick has been appointed managing director of CCA MICRO RENTALS. Previously he served as group...

where he was group personnel manager. Mr Hindle was president director general of the division's French operations.

R. F. DEVELOPMENT COMPANY has appointed Mr A. S. Cbeeseman as managing director from January 1. He joins from Boreham Securities, where he was managing director. Mr R. G. Allen, current managing director, becomes chairman.

Mr A. J. Seymour has been appointed director of RED-FEAR NATIONAL GLASS. He is managing director of RN Plastics, a wholly-owned subsidiary.

Mr Peter Tomlinson will be resigning as managing director of REACON RADIO from January 1 and will be succeeded by Mr Robert Pierson, currently deputy managing director and programme controller.

Former British Lion and England rugby international Mr David Druckman has joined the TERN GROUP as a director for marketing and sales. He will spearhead the development of Tern Western, a division of Constructors Tern, which will be based in Swindon. He was a director of the Espley-Tyas construction group.

Mr Gerald Pratt has joined HARBEN SYSTEMS as managing director. Mr Pratt was a senior executive at the Mining Research Development Establishment of the National Coal Board, where his responsibilities included the development of high pressure pumping systems.

SIBEC DEVELOPMENTS has appointed Mr Permot Power as finance director.



Mr Arthur R. W. Large, chief executive of RAC Motoring Services

appointments with BL's truck and bus divisions, he became company secretary in 1978, playing an active part in BL's resurgence and the subsequent programme to return BL operations to the private sector.

CONTRACTS

£14m defence order for Graseby

GRASEBY DYNAMICS, a defence contractor in Cambridge Electronic Industries Group, has been awarded a contract for initial production worth over £14m to supply the BMD with a chemical agent monitor, CAM. CAM, based on research work carried out by Government R and D establishments was designed, developed and underwent initial trials in less than three years. During development Graseby was able to draw on its experience in the detection of explosive gas vapours and had scientific and technical input from Government departments.

located in Block 211/16, 150 km north east of the Shetland Islands in 157 metres of water. It will have facilities for oil/gas/water separation, produced water treatment/disposal, oil dehydration and metering together with drilling facilities and utilities. Accommodation will be provided for 90 persons.

ing subsidiary of Haden, has been awarded a £4.22m order for the design and construction of a wash and paint system for front end truck parts at the General Motors truck and bus plant in Pontiac, Michigan. The system will include a Hydrospin paint spray booth with a pumped hydrovac waste paint disposal system. The equipment is scheduled to be commissioned in March 1985.

Major contracts amounting to £3.5m have been placed with MORCEAU HOLDINGS. Work includes: sprayed Feodolite MK II in Barrow-in-Furness gas gathering plant terminal; Vicula board at Centre Court, Wimbledon; and intumescent paint for new facilities at Senior Service for Gallaher. Work is also due to commence for Wimpey Construction UK on protection for the Daily Telegraph building on the Isle of Dogs.

HADEN SCHWEITZER CORPORATION, the U.S. industrial finish-

ing subsidiary of Haden, has been awarded a £4.22m order for the design and construction of a wash and paint system for front end truck parts at the General Motors truck and bus plant in Pontiac, Michigan. The system will include a Hydrospin paint spray booth with a pumped hydrovac waste paint disposal system. The equipment is scheduled to be commissioned in March 1985.

in modules to be put up on the 150,000 sq metre site. The modular buildings are being made by Giltspur Technologies, Southampton.

Insurance premium claim fails to justify ship's arrest

GATOLI INTERNATIONAL INC v ARKWRIGHT-BOSTON MANUFACTURERS MUTUAL INSURANCE COMPANY AND OTHERS House of Lords (Lord Fraser of Tullybelton, Lord Scarman, Lord Wilberforce, Lord Keith of Kinkel and Lord Roskill): December 13 1984

ARREST OF a ship in proceedings allegedly arising out of an "agreement relating to carriage of goods in any ship" is invalid in both Scotland and England if there is not a sufficiently direct connection between the contract which is the subject of the claim and carriage of the goods; and where the claim arises out of an agreement to pay cargo insurance premiums the arrest is unjustified in that there is insufficient connection between that agreement and the actual carriage.

Administration of Justice Act 1956. Sheriff Russell, sitting at Aberdeen, allowed a proof on the matter of ownership and held that on a proper construction of section 47(2)(e) the insurers' decision was affirmed by the Second Division of the Inner House, which gave leave to appeal to the House of Lords.

construction, repair or equipment of a ship and liability for dock charges, to take but a few examples. If the provisions of section 47(1)(d) are to be readily construed, Lord Wylie, it is difficult to see how any of them could fail to come within "the ambit of a ship". Accordingly, a more restricted construction is called for than that which, in isolation, the words might otherwise bear.

section between the agreement for the hire of containers and the carriage of goods in a ship. The containers were not a ship. That decision was wrong and should be overruled. Getoff argued that, should section 47(2)(e) be ambiguous regard should be had to the insurers' preparatory for the Convention.

Provisions relating to Scotland in the Administration of Justice Act 1956 permit, by section 47, the arrest of a ship owned by a defendant to any claim arising out of "12... (e) any agreement relating to the carriage of goods in any ship whether by charterparty or otherwise."

Each case would require to be decided on its own facts. The contract of insurance in the present case was not connected with the carriage of goods in a ship in a way which would entitle it to be capable of coming within paragraph (e).

The meaning must be wider than would be conveyed by "for". It would, on the other hand, be unreasonable to infer from the words actually used, "in relation to," that it was intended to be sufficient that the agreement in issue should be in some way connected, however remotely, with the carriage of goods in a ship or with the use or hire of a ship.

The proceedings of the conference which led to the Convention were public and accessible. They showed that the conference decided not to include provisions which were narrower and precisely defined.

Geneva Special early morning delivery service of the FINANCIAL TIMES available in this area. For further details please contact Peter Lancaster Tel. Geneva 311604

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Personal FACT IT CANNOT BE CURED, IT CANNOT BE PREVENTED, IT CAN BE CONTROLLED ONLY BY PROPER TREATMENT. More research is required to find a cure—DIABETES Join us — Help us Support us BRITISH DIABETIC ASSOCIATION 19 Queen Anne Street London W1M 0BD

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MARKET REPORT

Sterling weakness dampens enthusiasm but equity leaders attain peak levels late

Account Dealing Dates
Option
*First Declares Last Account
Dealings Dates

wake of BAT Industries' 5664m
agreed bid for Hambro Life.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index Name, Dec 16, Dec 17, Dec 18, Dec 19, Dec 20, Dec 21, Year Ago

10 am 937.8, 11 am 937.1, Noon 937.1, 1 pm 937.1
2 pm 937.1, 3 pm 937.4

HIGHS AND LOWS S.E. ACTIVITY
Table with columns: Index Name, High, Low, S.E. Activity

disappointing interim figures
elsewhere, renewed support in a
restricted market left Lee

clined a few pence earlier. Else-
where, renewed support in a
restricted market left Lee

chairman's statement at Mon-
day's AGM prompted fresh
selling of Lucas Industries,

Among Properties, Samuel
shed 5 to 149p following news
of property acquisitions worth

Oil's nervous
Oil's remained a highly
nervous market ahead of

Gold's under pressure
South African gold and
related issues endured another

RECENT ISSUES

EQUITIES
Table with columns: Stock Name, Price, Change

FIXED INTEREST STOCKS
Table with columns: Stock Name, Price, Change

"RIGHTS" OFFERS
Table with columns: Issue Name, Price, Change

NEW HIGHS AND ACTIVE STOCKS
Table with columns: Stock Name, Price, Change

MONDAY'S ACTIVE STOCKS
Table with columns: Stock Name, Price, Change

RISES AND FALLS YESTERDAY
Table with columns: Stock Name, Rise/Fall

LONDON TRADED OPTIONS
Table with columns: Option Name, Price, Change

EUROPEAN OPTIONS EXCHANGE
Table with columns: Series, Price, Change

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times,
the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Times Dec 18 1984, Index, % Change

Table with columns: FIXED INTEREST, PRICE INDICES, BRITISH GOVERNMENT INDEX-LINKED STOCKS

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*Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Cannon Street, London, EC4A 3DF, price 15p, by post 25p. Corrected figures December 17 1984.

Journalist

Financial Times Wednesday December 19 1984

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high/low, and volume.

LEISURE—Continued

Table of leisure and entertainment stocks including British Telecom, British Airways, and British Gas.

PROPERTY—Continued

Table of property and real estate stocks including British Land, Granada, and Granada Television.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Venture, British Venture Income, and British Venture Growth.

OIL AND GAS—Continued

Table of oil and gas stocks including British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Aerospace and British Leyland.

Commercial Vehicles

Table of commercial vehicle stocks including British Leyland.

Components

Table of component stocks including British Leyland.

Garages and Distributors

Table of garage and distributor stocks including British Leyland.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including News International and Newsprint.

PAPER, PRINTING

Table of paper and printing stocks including Newsprint.

PROPERTY

Table of property stocks including British Land.

LEISURE

Table of leisure stocks including British Telecom.

SHOES AND LEATHER

Table of shoes and leather stocks including British Leather.

SOUTH AFRICANS

Table of South African stocks including Anglo American.

TEXTILES

Table of textile stocks including British Textiles.

TOBACCOS

Table of tobacco stocks including British American.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Venture.

OVERSEAS TRADERS

Table of overseas trader stocks including British Overseas.

PLANTATIONS

Table of plantation stocks including British Plantations.

FINANCE, LAND, ETC

Table of finance, land, and other stocks including British Finance.

MINES

Table of mine stocks including British Mines.

DAIWA SECURITIES logo and company name.

MINES—Continued

Table of mine stocks including Anglo American, De Beers, and Anglo Coal.

NOTES

Notes section containing financial information and company announcements.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Regional.

OPTIONS—3-month call rates

Table of 3-month call option rates for various companies.

FINANCE

Table of finance stocks including British Finance.

OIL AND GAS

Table of oil and gas stocks including British Petroleum.

Footer text including 'Recent issues' and 'Rights' information.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., British Group-Continued, and others, with columns for name, manager, and performance metrics.

Table listing unit trusts including British Group-Continued, British Shipley & Co. Ltd., and others, with columns for name, manager, and performance metrics.

Table listing unit trusts including British Shipley & Co. Ltd., British Shipley & Co. Ltd., and others, with columns for name, manager, and performance metrics.

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FT UNIT TRUST INFORMATION SERVICE

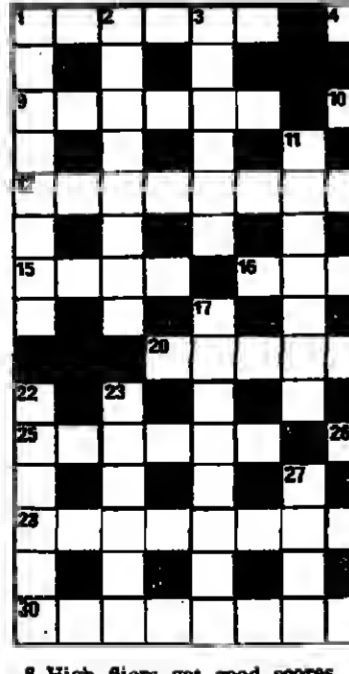
Main table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance data.

INSURANCES

Table listing various insurance companies and their services, including AA Friendly Society, Abbey Life Assurance Co., and others.

F.T. CROSSWORD PUZZLE NO. 5,599

- ACROSS
1 Loose, full-length coat in daily use (6)
4 Constriction with vestige of what is seen off Mortlake? (8)
9 Infallible indication from Carole Twist (6)
10 Insect that infects swimmers? (5-3)
12 Only top-drawer types should engage in it (8)
13 Storm damage? (6)
15 It takes a lot to become a singer (4)
16 Galathea, for example, holding right high station (7)
20 Sketch not allowed on railway (7)
21 Place on potter's table (4)
25 Oil mixed in French wine—what a fiddle! (6)
26 Is conductor on it at Euston? (8)
28 Arrange "The Ring" as work for soloist and orchestra (8)
29 A case of giving (6)
30 Patient having to learn, perhaps, to take time (8)
31 Stick notice in this position (6)
DOWN
1 Relinquish ambition to get score at Twickenham (4-4)
2 Stand still and eat gnats, usually (8)
3 Cake that goes like lightning abroad? (6)
5 Ring friend in Stone (4)
6 People in this gear hit trees, unfortunately (3-5)
7 Follow on watch (6)
8 High fliers get good scores, of course (6)
11 Jet engineer to shave with a knife (7)
14 Glowing by the fireside (7)
17 Christian, yes, but dissenter in the main (8)
18 Stand up to it inside, going in different directions (8)
19 Running out of stock, all at once (8)
22 Bird using middle voice in Latin? (6)
23 Dogwood leaves American university unfinished (8)
24 Capital way to run around (6)



Solution to Puzzle No. 5,598
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INSURANCE, OVERSEAS & MONEY FUNDS

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Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including Target Life Assurance Co Ltd, CAL Investments (UK) Ltd, and various international investment funds.

Table of insurance and overseas funds including Grindley Henderson Mgmt Ltd, GRC International Invest Mgmt Ltd, and various international investment funds.

Table of money market and bank accounts including Midland Bank Ltd, Royal Bank of Canada, and various international investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including Archival Investment Fund SA, Adly Investments, and various international investment funds.

Money Market

Table of money market rates and yields.

Trust Funds

Table of trust funds including The Money Market Trust, The Royal Bank of Canada, and various international investment funds.

Bank Accounts

Table of bank accounts including African Home, The Money Market Trust, and various international investment funds.

Money Market

Table of money market rates and yields.

Bank Accounts

Table of bank accounts including African Home, The Money Market Trust, and various international investment funds.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound at new low on oil fears

Sterling fell to its worst level ever yesterday as the market reacted to fears of lower oil prices. Opec ministers met today in Geneva to discuss price differentials and production levels and there was concern that this could affect the price of oil.

timed to ease. Federal funds touched 7 per cent at one point and another leading U.S. bank reduced its prime rate to 10 1/2 per cent. Euro-dollar also took a softer turn amid speculation of a reduction in the U.S. discount rate to 8 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for Currency, Unit, % change, and % change against DM.

POUND SPOT-FORWARD AGAINST POUND

Table showing Pound Spot-Forward Against Pound with columns for Dec 18, Days, and % Three months.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table showing Dollar Spot-Forward Against Dollar with columns for Dec 18, Days, and % Three months.

OTHER CURRENCIES

Table showing Other Currencies with columns for Dec 18, \$, and Note Rates.

CURRENCY MOVEMENTS CURRENCY RATES

Table showing Currency Movements with columns for Dec 18, Bank of England, and Morgan Guaranty.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates with columns for Dec 18, Pound Sterling, and U.S. Dollar.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-Currency Interest Rates with columns for Dec 18, Sterling, and U.S. Dollar.

MONEY MARKETS

London keeps its nerve

Interest rates moved nervously higher for the longer periods on the London money market yesterday. This followed sterling's fall to a record low on the foreign exchange market.

reduction in the Federal Reserve's discount rate. The Bank of England forecast a very small market overnight of £50m, and provided help on the day of £60m.

MONEY RATES

Table showing Money Rates with columns for Dec 18, Overnight, and 1m month.

LONDON MONEY RATES

Table showing London Money Rates with columns for Dec 18, Starting, and Interbank.

FINANCIAL FUTURES

Eurodollars firm

Dollar deominated interest rate contracts were very firm on the London International Financial Futures Exchange yesterday.

STERLING EXCHANGE RATE INDEX

Table showing Sterling Exchange Rate Index with columns for (Bank of England) and (Dec 18).

LONDON

Table showing London market data with columns for Three-month Eurodollar and U.S. Treasury Bonds.

CHICAGO

Table showing Chicago market data with columns for U.S. Treasury Bonds and U.S. Treasury Bills.

Company Notices

Company Notices section containing various legal notices and financial statements from companies like RICOH COMPANY, LTD., HILL SAMUEL OVERSEAS FUND SICAV, and THE ROYAL BANK OF SCOTLAND PLC.

Financial notices and interest rate tables, including 'NOTICE OF RATE OF INTEREST NBE FINANCE (CAYMAN) LIMITED' and 'EUROFIMA'.

Zambia Consolidated Copper Mines Limited and its subsidiary companies. Includes operating and financial quarter ended 30 September 1984, consolidated profit and loss account, production and sales data, and average realizations.

FT LONDON

INTERBANK FIXING

Table showing Interbank Fixing rates for various currencies and terms.

MONEY RATES

Table showing Money Rates for New York (Lunchtime) and Treasury Bills.

MONEY RATES

Table showing Money Rates for Treasury Bills and Treasury Bonds.

